Environmental and Social Management Framework

15 June 2016

Abbreviations

Acronyms and abbreviations	Description
AMDAL	Analisis Mengenai Dampak Lingkungan (Complete EIA)
ANDAL	Analisis Dampak Lingkungan (Sector/issue-specific EIA)
BOQ	Bill of Quantities
DFI	Development Financial Institution
DER	Detail Engineering Report
EIA	Environmental Impact Assessment
EMP	Environmental Management Plan
ESDD	Environmental and Social Due Diligence
ESEL	Environmental and Social Project Exclusion List
ESSC	Environmental and Social Safeguards Checklist
E&S	Environmental and Social
ESMF	Environmental and Social Management Framework
GRM	Grievance Redress Mechanism
IEE	Initial Environmental Examination
IFC	International Finance Corporation
ILO	International Labour Organization
IPP	Indigenous Peoples' Plan
IPPF	Indigenous Peoples Planning Framework
KA-ANDAL	Kerangka Acuan - Analisis Dampak Lingkungan (Terms of reference for preparing EIA)
LAP	Loan Application Package
LARPF	Land Acquisition and Resettlement Policy Framework
LARAP	Land Acquisition and Resettlement Action Plan
LGs	Local Governments
MSW	Municipal solid waste
PAPs	Subproject Affected Persons
PDF	Project development facility
PT SMI	PT Sarana Multi Infrastruktur (Persero)
RIDF	Regional Infrastructure Development Fund
RKL-RPL	Rencana Pengelolaan Lingkungan-Rencana Pemantauan Lingkungan (Sector/issue-specific environmental management and monitoring plan
SIA	Social impact assessment
UKL-UPL	Upaya Pengelolaan Lingkungan dan Upaya Pemantauan Lingkungan (Environmental management and monitoring plan)
WB	World Bank

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2. Introduction

Infrastructure investment in Indonesia has not caught up with pre-Asian financial crisis levels, and lags well behind regional competitors today. Infrastructure played a key role in driving growth and poverty reduction in the 30 years prior to the 1997 Asian financial crisis. After falling off sharply due to the crisis, Indonesia's infrastructure investment has struggled to recover. Total infrastructure investment declined from an average of 7 percent of GDP in 1995-97 to around 3-4 percent from 2011-2013. By comparison, neighbouring countries such as Thailand, Vietnam and China registered rates of approximately 7, 8, and 10 percent, respectively. Not surprisingly, Indonesia suffers from some of the poorest infrastructure indicators in the region. In 1996, Indonesia ranked ahead of countries like China and Thailand in the Global Competiveness Report's index of 'overall infrastructure quality', but by 2002 these countries had surpassed Indonesia.

Decreased spending on the part of government, state-owned enterprises (SOEs) and the private sector caused the decline in infrastructure investment as a proportion of GDP. Private sector investment experienced the biggest fall, declining from 2.3 percent of GDP during 1995-1997 to 0.4 percent from 2008-2011. This is a particular concern given the Government of Indonesia's (GoI) increasing focus on public-private partnerships (PPPs) to finance infrastructure development. Over the same period, infrastructure investment by SOEs and the central government fell by 1.8 and 1.9 percentage points, respectively, while subnational government spending increased by 0.9 percentage points. Subnational governments are now leading in infrastructure spending in Indonesia, accounting for 39 percent of total infrastructure spending in 2010-2011.

Currently available financing instruments in Indonesia are limited and ill-fitting for the nature and scale of the required urban and local-level infrastructure investment. In recent years, Indonesia has developed PPP vehicles for commercially viable infrastructure (e.g. energy generation, distribution and transmission; toll roads; airports and ports), but the market for PPPs is oriented towards large-scale revenue-generating projects. Regulations have been amended recently to enable subnational governments to issue bonds for urban infrastructure, but municipal bonds remain untapped, and only the larger cities or provinces with high fiscal capacity would be in a position to issue such bonds in the absence of a mature municipal bond market. Subnational government budgets (APBD) can only be used to pay for small-scale projects or marginal improvements in basic services that take less than one year to complete, due to government budgetary rules.

Addressing the 'missing middle' for medium- to long-term infrastructure finance is a critical priority for GoI to meet the local infrastructure gap. There are limited sources of project financing for subnational governments seeking to undertake multi-year investments that are economically viable even if not financially viable, such as water supply, sanitation, solid

waste, drainage, affordable housing and urban transport projects. These subprojects generally have significant positive economic benefits, but may not always generate a clear or robust revenue stream.

Building on the lessons from past experiences of SLA/RDI/RDA and PIP implementation, and commensurate with the new government's continued emphasis on subnational infrastructure investment, the Minister of Finance took the decision in February 2015 to dissolve the PIP and transfer its assets into *PT Sarana Multi Infrastruktur (Persero)* ("PT SMI"). In doing so**,** the Minister transferred to PT SMI the mandate for subnational lending through the Regional Infrastructure Development Fund (RIDF). RIDF operates as a separate business line within the overall PT SMI structure.

The proposed operation aims to support the structuring and operationalization of the RIDF as a retail domestic financial intermediary located within PT SMI to increase access to finance for basic environmental, productive and social infrastructure. The RIDF will mostly focus on financing economically-viable infrastructure that requires short, medium-to long-term tenor debt. RIDF will be accessible to creditworthy municipality, district and provincial governments across Indonesia. However, it is expected that the RIDF business strategy will disproportionately target fast growing medium and large urban LGs across all island groups where infrastructure development is unable to keep pace with growing demand. The RIDF will be structured around principles of financial sustainability with the view in the medium-term of being able to increasingly leverage market-based sources of finance.

The RIDF would incorporate the products offered in the PIP model but enlarges the opportunity for the LGs to invest capital investments by providing longer tenor loan pricing. While the PIP product is useful, it is recognized that an expanded business line is needed for larger multi-year investments in environmental and logistic infrastructure. In addition to smaller projects, RIDF product enables PT SMI to expand the portfolio to a broader range of medium and large projects such as bus rapid transit system, solid waste treatment facilities, sanitary land fill sites, water treatment plants, water distribution networks, sewerage networks and treatment plants, etc. which are economically feasible but not always financially viable. The RIDF will be accessible to creditworthy local and provincial governments across Indonesia.

However, it is expected that the RIDF business strategy will effectively target fast growing medium and large urban LGs across all island groups where infrastructure development is unable to keep pace with growing demand. The RIDF will be structured around principles of financial sustainability with the view in the medium-term of being able to increasingly leverage market-based sources of finance. The Project will also include the establishment of a Project Development Facility (PDF) to support the development of a subproject pipeline as well as to channel technical assistance to the LGs in areas of project identification, design and construction supervision, and related advisory services.

As mentioned, the objectives of the establishment of RIDF are to increase access to infrastructure finance at the subnational level through a sustainable financial intermediary. The RIDF is expected to achieve its objectives by focusing exclusively on subnational infrastructure financing, with specific policy directives suitable to subnational lending, and an optimum blend of development-oriented approach and commercial focus. This project is being designed and appraised under a 'framework approach', where the assessment of project readiness requires that corporate systems, regulations and detailed operating procedures have been developed and installed.

2.1 RIDF project components

RIDF has two components: (i) Capital Support for RIDF and (ii) Project Development Facility (PDF).

Capital Support for RIDF

This component will provide capital injection for PT SMI to operate RIDF as a financial intermediary lending business line, providing senior debt to subnational governments in Indonesia for economically viable infrastructure projects. RIDF will extend loans directly, at its own credit risk, to creditworthy subnational governments as final borrowers. It is anticipated that RIDF's initial focus will be on district-level (*kota* and *kabupaten*) governments, before eventually scaling up to more complex regional and inter-regional projects at the provincial level as its appraisal and financial capacity deepens. As its business grows, RIDF could also lend directly to local-level state-owned enterprises (e.g. PDAMs and *Perusahaan Daerah* (PD)).

To be eligible to borrow from RIDF, a subnational government must satisfy eight criteria under existing GoI regulation, such as: i) Infrastructure to be financed is public infrastructure that is most needed (priority) and is contained in the RPJMD; ii) Approval of the relevant legislature (DPRD) at the subnational-level; iii) Subnational government is not in arrears, whether with SLA or other loan sources; iv) DSCR of at least 2.5 times (as stipulated in PP No. 30/2011); v) Loan amount should not exceed 75% of the accumulated general revenue amount in the APBD of the previous fiscal year; vi) Current fiscal year APBD deficit, if any, is within the limits prescribed by applicable regulations; vii) Audit results from BPK (supreme audit institution) from each of the last three years should be at least WDP (qualified opinion) or better; and viii) Recommendation from the Ministry of Home Affairs.

RIDF's core policies will include the following: i) appraisal of subprojects on the basis of economic rather than financial viability; ii) use of 'cost plus' pricing (i.e. to cover the cost of capital, operating expenses and anticipated risk; iii) short to long-term tenor loans (e.g. minimum tenor of 5 years to a maximum of 20 years); RIDF will be equipped with post-default guarantee with intercept mechanism. This would provide protection to PT. SMI in the case of borrower default. The exact value and structure of the guarantee mechanism will be finalized with a concern for moral hazard risk and assurances that PT. SMI retains a strong incentive to maintain rigorous appraisal and credit risk management practices. RIDF will also rely on a combination of prudential lending norms and rigorous appraisal adopted to

considerably reduce the probability of defaults and consequently the need to fall back on security mechanisms to ensure debt servicing. In addition, the appraisal process would identify key repayment risks at every stage of the project; for example, regulatory risks, prior to commencement, construction risks, operations and maintenance risks etc. These risks would be mitigated by appropriate loan covenants and pre-disbursement conditions. These loan covenants would be stipulated in the loan agreement and would be expected to reduce the probability of default.

Further, RIDF will fund subprojects under an open menu of environmental, social and productive infrastructure that fall within the clear jurisdictional responsibility of subnational governments under Indonesia's decentralized system. Subprojects must also be economically viable and have clear development and poverty reduction impacts (see **Table 1** below for Eligible Sectors and Subprojects).

Table 1: Eligible sectors and subprojects

Eligible Sectors		Eligible Subprojects
1	Water Supply and Sanitation	<u>Water Supply</u> • Construction/rehabilitation/capacity augmentation of dams, lakes and reservoirs for purpose of supply of water to urban areas. The eligible costs shall include the expenses towards embankments, earthen works, diversion channels, source diversion and other similar works. • Construction of infrastructure incidental to source augmentation such as construction of jack-wells/bore wells, pumping equipment, etc. • Development of new water treatment plants and capacity augmentation of existing treatment plants including treatment technologies, civil works, etc. • Construction and laying of raw water transmission and treated water distribution systems (pipes, pumping stations, tanks, etc.). Including replacement and/or rehabilitation of the existing water supply systems • Installation of water meters at consumer and bulk connections and associated monitoring systems. • Implementation of SCADA and other systems for monitoring and pressure control. • Construction and installation of desalination plants for urban water supply in coastal areas. <u>Sewerage</u> • Collection network and waste-water treatment facility • Pumping stations and machinery • Regional facilities and system automation

Eligible Sectors		Eligible Subprojects
2	Environmental Infrastructure	<u>Solid Waste Management</u> • Construction of a municipal waste-processing facility (sanitary, land-fill, processing plant, incineration unit, etc.). • Construction of construction and demolition waste processing facility. • Waste recycling project. • Purchase of vehicles and bins for solid waste collection. • Development of vehicle-tracking and waste disposal monitoring system. <u>Drainage</u> • Development of storm water drainage network • Rehabilitation of existing drainage networks • De-silting and/or strengthening of natural drains <u>Energy Efficiency</u> • Improvement of electricity installation and equipment in building and public facilities • Retrofitting building and infrastructure with efficient energy consumption instruments • Improving system that can control energy consumption
3	Low-Income Housing & Slum Upgrading	• Public housing units in slum areas (in-situ and or relocation) • Integrated urban upgrading including water, sewerage, drainage, roads and street lighting, etc.
4	Transportation, Productive, Logistics Infrastructure	• New carriageway development (at grade, flyovers, bridges) • Road rehabilitation, upgradation and/or widening • Junction-improvements projects • Development of mass transit (non - rail based) infrastructure. • Development of pedestrian infrastructure (foot-over bridges, footpath, street furniture, street-lighting, etc.). • Purchase of public buses • Development of street-furniture for bus-stops • Development of bus depot and shelters • Development of dedicated BRT lane and related infrastructure, tracking and monitoring system for operating BRT etc. • Development of multi-level car parking structure • Development of traffic monitoring and management system • Development of building and/or facilities to house traffic management unit. • Irrigation infrastructure development
5	Social	• Development of new hospitals, schools and public markets. • Rehabilitation and/or expansion of hospitals, schools and public

Eligible Sectors		Eligible Subprojects
	Infrastructure	markets Public market facilities. • Development of facilities incidental to the social infrastructure such as parking facilities and equipment (medical equipment & beds for hospitals, teaching aid and furniture for schools, storage and warehousing for markets, etc.)

RIDF Project Development Facility

Most of the LGs are constrained both by availability of experienced, skilled personnel; and modern techniques to develop projects; and are also constrained in terms of developing reasonable, balanced procurement packages of an acceptable quality, in a timely manner. Capacities apart, the cost of project development is also rather high (typically, about 1-2 percent of total project cost) and is unaffordable to many of the LGs. The current need is to provide grant assistance for project preparation through professional experts with specific skills on project preparation, feasibility assessment, sectoral expertise, etc. to ensure a scientific, quality and timely development of the LGs' urban infrastructure projects.

A RIDF Project Development Fund (RIDF-PDF) is a financing facility which helps and facilitates robust project development, and supports the LGs in the preliminary feasibility process, detailed engineering design and project preparation. RIDF-PDF is designed to be a financing facility to support the LGs in developing projects which are initially assessed to be realistic, feasible and within the domain of RIDF funding. RIDF-PDF would lower the costs of project preparation for the LGs, provide expert assistance in standardizing designs and produce a pipeline of financeable projects for RIDF. It will facilitate project conceptualization and development by supporting the LGs in the following:

a) Identifying the overall process for project development and supporting the LGs through all stages of this project development;
b) Identification/appointment of necessary technical experts and overseeing their activities; and
c) Consultation with relevant stakeholders and decision makers enabling a buy in for the projects, among all stakeholders.

RIDF-PDF will operationalize months before operationalizing RIDF. The focus of the RIDF-PDF team in this initial phase is proposed to be on pro-actively approaching LGs and building the pipeline for support on project development. To start with, the PDF will identify 8 – 10 potential projects/LGs and provide institutional support to develop a pipeline of projects. The primary interactions with various LGs indicate that the existing demand for long term infrastructure funding and need for institutional support in project development activities would make RIDF-PDF a timely intervention for RIDF to succeed. RIDF-PDF will be managed by a team of specialists in the area of urban infrastructure projects and LG finances and operations. This team will be housed within PT SMI's existing Project Development Advisory team under Directorate of Project Preparation. A "Chinese fire wall"

is created between RIDF-PDF team and the appraisal team of RIDF, such that the RIDF appraisal team can take an independent view of lending to the LGs or not.

Eligible entities/sectors: PDF shall assist those projects which are eligible for funding under the RIDF eligible sectors and would assist eligible borrowers of RIDF. Scope of assistance under PDF: The grant support to the LGs under PDF would be limited to the below listed aspects of project development. All remaining activities would have to be undertaken by the LGs through its own internal resources/other sources of funding.

a) project identification;
b) Preliminary structuring/preparation;
c) Undertaking a feasibility study;
d) Preparation of detailed engineering design and the underlying financials; and
e) Advisory services related to financial management, environmental and social assessment, etc.

2.2 Types of subprojects according to the level of preparedness

RIDF lending business will offer single financial products category, i.e. fund based products (i.e. senior debt); and consider for subprojects with different levels of preparedness or readiness for implementation. There will be three types of subprojects that would apply for RIDF funding, which will require different types of review procedures:

(i) Type 1 – Subprojects in the early stages of preparation (with sites that have not been selected and design options that are still open). The LGs will prepare and disclose all Environmental and Social Assessment documents (i.e. EIA, EMP, SIA, LARAP, IPP, etc.) prior to approval of the subproject for RIDF funding support. At this stage, it is suggested that the LGs collaborate with the PDF team to prepare the necessary documents.

(ii) Type 2 – Subprojects that have been fully prepared (where construction bids have been invited). PT SMI will review the E&S documents that are available and will ask the LGs to supplement them or develop new ones. All required documents must be disclosed prior to subproject approval.

(iii) Type 3 – Subprojects with facilities that have already been constructed or the projects which is under construction. PT SMI will carry out a due diligence to confirm that: (a) the subproject is in compliance with this ESMF including with all applicable national environmental and social laws and regulations; (b) there are no reputational risks for PT SMI and the World Bank Group (WBG); and (c) there are no legacy issues or no pending legal disputes or liabilities. Based on the findings of such an assessment, PT SMI will ask its client to implement remedial measures, as needed, or to mitigate potential reputational risks or to address legacy issues or liabilities.

2.3 Potential subproject pipelines

PT SMI has recorded potential subproject pipeline which is continuously growing as increasing number of LGs applied for funding support. As of now, PT SMI's pipelines for potential local borrowing comprises of 38 subprojects that include roads, local hospitals, public markets, and flood mitigation infrastructure. Out of these 38 projects, 4 LGs have received offering letter from PT SMI. The LGs that have interest in borrowing from PT SMI are geographically dispersed across the country: Sulawesi, Bali and West Nusa Tenggara, Sumatera, Papua and Maluku, Kalimantan, Java. It is expected that number of subprojects, types and geographical coverage of LGs interested to borrow from PT SMI under RIDF will increase in the coming years, as the need for infrastructure development increases. In the current pipeline, proposed amount for borrowing for a subproject varies among LGs, and range from USD 10-30 millions. Most of the proposed subprojects are in the very early preparation stage, namely checking its consistency with the regional/local spatial development plan. Few are in the process of FS preparation and DED preparation.

2.4 Objective of Environmental and Social Management Framework (ESMF)

Subprojects to be financed by RIDF may have potential environmental and social impacts. The Indonesian government, PT SMI as well as the World Bank are committed to minimizing, if not avoiding, any adverse environmental or social impacts. This ESMF guides PT SMI in providing advice to the borrowers of RIDF, i.e. local governments, in avoiding, and/or minimizing any potential adverse environmental and social impacts, and develop and implement measures to address such impacts in accordance with the PT SMI's Environmental and Social Safeguards Principles, Indonesian Laws and Regulations, and International Standards including the World Bank Safeguards Policies.

This ESMF details the social and environmental safeguard policies, principles, procedures and requirements, institutional arrangements, and workflows for PT SMI to avoid, minimize, or mitigate any adverse social or environmental impacts of infrastructure subprojects supported by the RIDF.

2.5 Application of ESMF

Eligible Subprojects

This ESMF applies to all subprojects that seeking for RIDF funding, irrespective of financing sources. The application of the ESMF begins right at the time of loan application submission, and is relevant through the appraisal, disbursement (implementation), and subproject monitoring stages. For the purpose of ESMF application, the subproject can be classified based on the project stage (see **Table 2**).

Table 2: Subproject types according to development stage

No.	Project Stage	Action under ESMF
1	**Type 1** Subproject is at a conceptual stage: sites and design alternatives are still being considered	The LGs will prepare and disclose all Environmental and Social Assessment documents (i.e. EIA, EMP, SIA, LARAP, IPDP, etc.) prior to approval of the subproject for RIDF funding support. At this stage, the LGs may collaborate with the PDF team to prepare the necessary documents.
2	**Type 2** Subproject preparation completed: construction bids may have begun	PT SMI will review the E&S documents that are available and will ask the LGs to supplement them or develop new ones. All required documents must be disclosed prior to subproject approval.
3	**Type 3** Subproject implementation has begun or even completed.	PT SMI will carry out a due diligence to confirm that: (a) the subproject is in compliance with this ESMF including all applicable national environmental and social laws and regulations; (b) there are no reputational risks for PT SMI and the World Bank Group (WBG); and (c) there are no legacy issues or no pending legal disputes or liabilities. Based on the findings of such an assessment, PT SMI will ask its client to implement remedial measures, as needed, or to mitigate potential reputational risks or to address legacy issues or liabilities.

Area of influence and linked activities (refer to ESS 1 and ESS 5 on Section 2)

The ESMF extends not just to subproject footprint but also to the influence area that may be impacted by the project along with all of its ancillary aspects, such as power transmission corridors, pipelines, canals, tunnels, access roads, borrow or disposal areas, and construction camps, as well as unplanned developments arising from the project (e.g., spontaneous settlement, logging, or shifting agriculture along access roads). The area of influence may include, for example:

- Watershed within which the project is located
- Any affected estuary and coastal zone

- Off-site areas for resettlement or compensatory tracts
- Airshed (where airborne pollutants such as smoke or dust may enter or leave the area of influence)
- Migratory routes of humans, wildlife or fish, particularly where they relate to public health, economic activities or environmental conservation
- Areas used for livelihood activities (hunting, fishing, grazing, gathering, agriculture, etc.) or religious or ceremonial purposes of a customary nature.

In addition, the subproject shall take into account the linked activities regardless of financing sources which are: directly and significantly related to the RIDF-supported subproject, necessary to achieve the subproject objectives as set forth in the subproject documents, and, carried out or planned to be carried out, contemporaneously with the subproject.

2.6 Applicable Policies

The ESMF has been designed based on a set of applicable Indonesian laws and regulations related to social and environmental protection, PT SMI's ESS (Environmental and Social Safeguards—Refer to Chapter 2 for details) and International Standards including World Bank safeguards policies.

Indonesian laws and regulations:

1. Law No. 3/ 2009: Environmental Protection and Environmental Management
2. Law No. 5/1960: Agrarian Basic Principles.
3. Law No. 2/2012: Land Acquisition for Project Activity for Public Interest
4. Government Resolution No. 27/2012: Environmental Permits
5. Government Regulation No. 82/2001: Water Quality Management and Pollution Control.
6. Government Regulation No. 41/1999: Air Pollution Control
7. Government Regulation No. 101/2014: Hazardous Waste Management
8. Minister of the Environment Regulation No. 05/2012: Types of Business and/or Activities Mandated to Undertake Environmental Impact Assessment (AMDAL).
9. Presidential Regulation No. 71/2012, 40/2014, 99/2014, 30/2015: Land acquisition for Project Activity for Public Interest
10. Law No. 41/1999 on Forestry (plus Constitutional Court Decision No. 35/PUU-X/2012): Procedures to Settle Land Ownership Conflict in Forest Areas

11. Regulation of Head of BPN RI No. 5/2012 : Technical Guidelines on the Implementation of Land Acquisition
12. MOHA Regulation No. 52/2014: Guidelines on the Recognition and Protection of MHA
13. Ministerial Regulation of MOH No. P.62/2013: Establishment of Forest Area
14. Regulation of the Minister of Land Agency and Spatial Development No. 9/2015: Procedures to Establish the Land Communal Rights on MHA Land and Community Living in Special Areas
15. Law No. 18/2013: Prevention and Control of Deforestation (UUP3H).
16. Regulation of Ministry of Forestry No. P.39/Menhut-II/2013: Empowerment of Local Communities through Forest Partnerships
17. Law No. 24/2007: Disaster Management

PT SMI's Environmental and Social Safeguards

1. ESS-1: Assessment and Management of Environmental & Social Risks and Impact
2. ESS-2: Labour and Working Conditions
3. ESS-3: Pollution Prevention and Abatement
4. ESS-4: Safety, Health and Security
5. ESS-5: Land Acquisition and Resettlement
6. ESS-6: Biodiversity Conservation and Natural Resources Management
7. ESS-7: Indigenous Peoples and Local Communities
8. ESS-8: Cultural Heritage
9. ESS-9: Energy Conservation and Environment-Friendly Energy
10. ESS-10: Consultation and Grievance Mechanisms

World Bank's Safeguards Operational Policies

1. OP 4.01 Environmental Assessment
2. OP 4.04 Natural Habitats
3. OP 4.09 Pest Management
4. OP 4.11 Physical Cultural Resources
5. OP 4.12 Involuntary Resettlement
6. OP 4.10 Indigenous Peoples
7. OP 4.36 Forests
8. OP 4.37 Safety of Dam
9. World Bank Group General EHS Guidelines and Industry Sector Guidelines

Relationship between PT SMI and World Bank policies see Annex 1D

2.6.1 Scope of ESMF in Business Process

This ESMF has been mainstreamed in the loan processing cycles for subproject seeking funding support from RIDF, in the key safeguards instruments as well as in organizational arrangements of PT SMI under the RIDF business lines. The application of this ESMF begins right from the time of loan application through the loan tenure: (1) loan application, (2) initial screening, (3) project appraisal, (4) contract signing, (5) loan disbursal, and (6) monitoring and evaluation. The ESMF also includes external audit, document update and disclosure norms. Overall, this ESMF covers:

- Environmental and social risk mitigation tools such as environmental impact assessment (EIA) and environmental management plan (EMP), based on the project risk categorization
- Land acquisition and resettlement policy framework, which includes land acquisition and resettlement plan or abbreviated resettlement action plan based on the project risk categorization
- Indigenous Peoples Planning Framework, which includes Indigenous Peoples Plan when Indigenous Peoples are affected
- Grievance redress and public consultation mechanisms to ensure a participatory and fair approach in evaluating and mitigating project risks
- Details on stakeholders and their responsibilities.
- Details on human resource augmentation required in PT SMI for implementing the framework.
- Guidance on capacity building.
- Instructions on the control and update of this document.

Details are elaborated in chapter 3

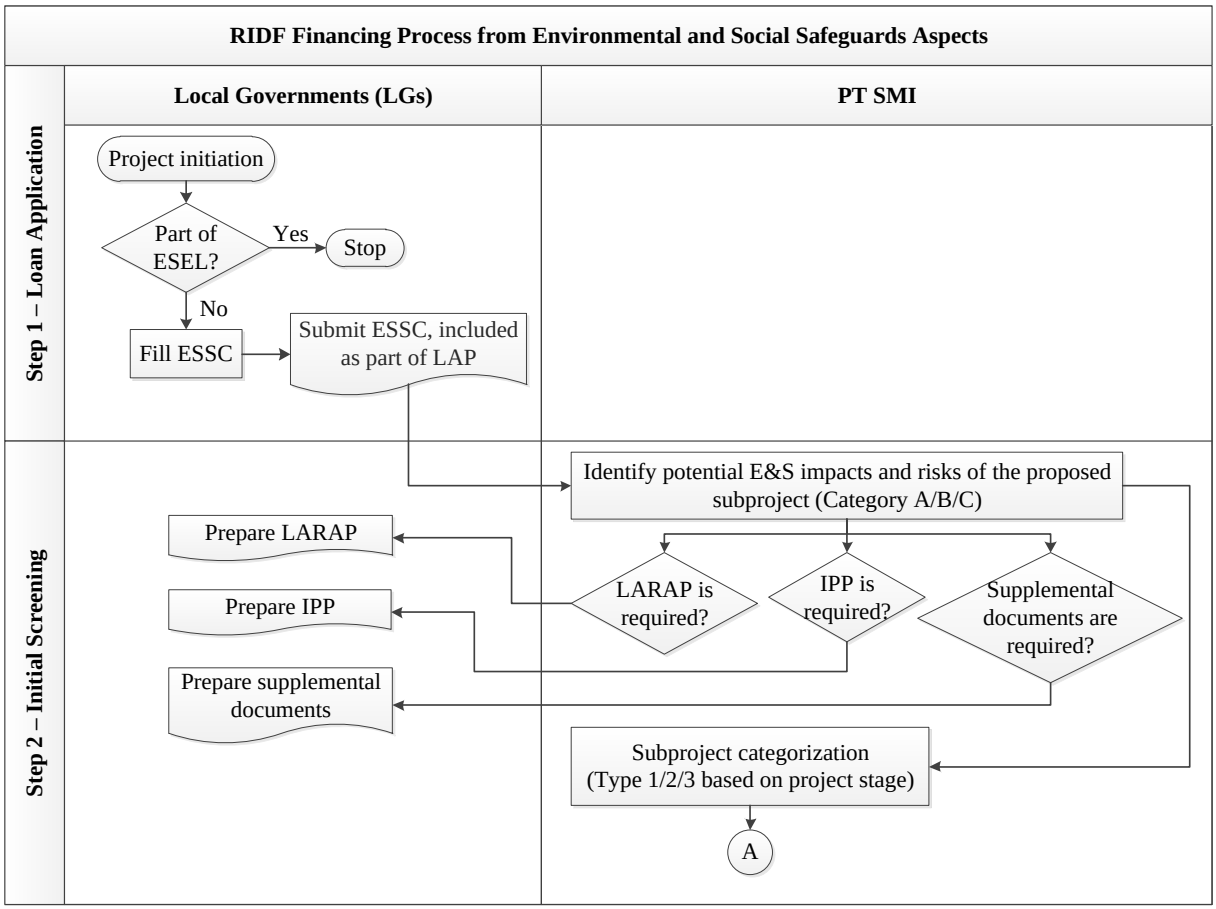
- This ESMF outlines the procedures for application of the frameworks in the business cycles of RIDF.
- The ESMF includes a set of tools such as templates for checklists and appraisal forms, sample terms of reference (ToRs) for preparing documents for safeguards mitigation measures, outlines for various plans, and a list of mandatory covenants to be included in loan agreements.
- It also provides details on how to follow the operating procedures, apply the frameworks, and use the templates, ToRs and outlines provided.

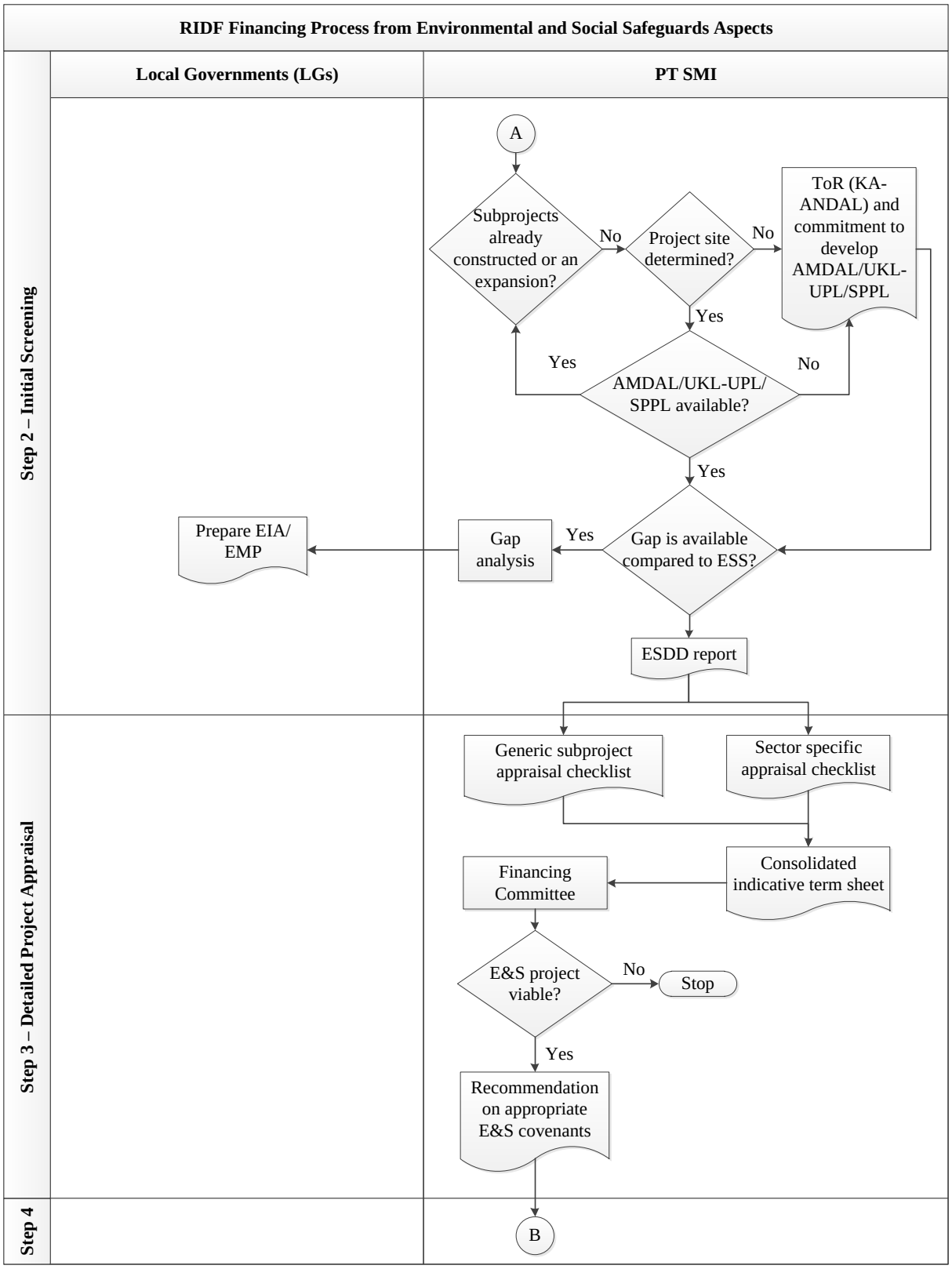
Details are elaborated in chapter 4

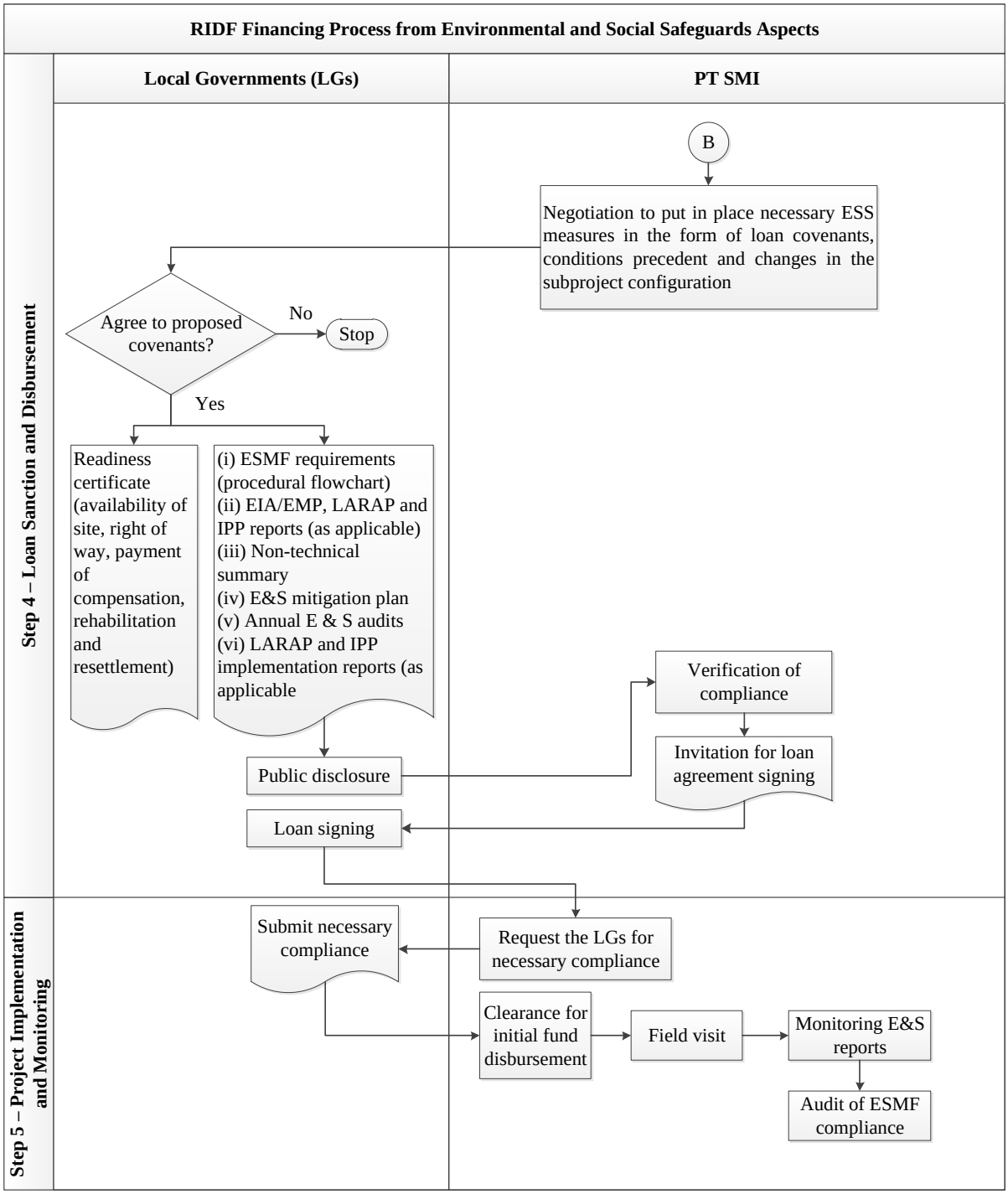
2.7 Implementation arrangements of ESMF: screening, impact assessment, review, approval, supervision and monitoring and reporting

This ESMF has four major parts – (1) subproject screening and impact assessment, (2) mitigation measures and instruments, (3) implementation of requirements specified in the ESMF, and (4) monitoring, supervision and reporting – which, together, aim at minimizing and managing the environmental and social impacts of the subprojects supported by RIDF. ESMF applies right from the time of the submission of loan application to PT SMI, through the loan tenure period (see **Figure 1**).

Figure 1: RIDF loan process and ESMF




RIDF Financing Process from Environmental and Social Safeguards Aspects
Local Governments (LGs)
PT SMI
Step 2 – Initial Screening
Step 3 – Detailed Project Appraisal
Step 4
A
Subprojects already constructed or an expansion?
No
Project site determined?
No
ToR (KA-ANDAL) and commitment to develop AMDAL/UKL-UPL/SPPL
Yes
Yes
AMDAL/UKL-UPL/ SPPL available?
No
Yes
Prepare EIA/ EMP
Gap analysis
Yes
Gap is available compared to ESS?
ESDD report
Generic subproject appraisal checklist
Sector specific appraisal checklist
Financing Committee
Consolidated indicative term sheet
E&S project viable?
No
Stop
Yes
Recommendation on appropriate E&S covenants
B



2.7.1 Subproject screening and impacts assessment

1. Environmental and social exclusion list

This list comprises types of subprojects excluded from RIDF funding as practiced by the government and international agencies due to their potential adverse impact on the environment (see exclusion list in Annex 1A).

2. **Impact assessment and project risk categorization**

   Based on the perceived environmental and social risks, subprojects are classified as Category A, B or C. Subprojects with high social and environmental risks are categorized as A and are scrutinized in detail to ensure that the objectives of ESMF are satisfied. **Tabel 1** above shows the eligible sectors and subprojects that can be funded by RIDF. Most of the subprojects are categorized as Category B, for examples water supply, sewerage, drainage, public housing. However, some subprojects can be fall into Category A, such as solid waste management and hospital, due to type of waste produces are hazardous wastes.

3. **Minimizing subproject impact on society and environment**

   PT SMI will assess the subproject proposal and mitigation measures specified in the agreed safeguards instruments documents to ensure that all impacts have been accurately and reliably documented and the project design minimizes adverse impacts while maximizing any positive impacts, and a cumulative impact analysis is conducted and project alternatives are considered. Only subprojects that are found to be environmentally and socially viable in reference to this ESMF, are to be considered for financing under RIDF, i.e. the subproject alternatives considered included a 'no subproject' option.

2.7.2 Preparation of impact mitigation plans

1. **Project impact mitigation**

   Based on the potential environmental and social impacts, and hence, risks assessed by PT SMI during the review of subproject proposal and safeguards instruments available, the LGs have to prepare mitigation measures or remedial actions to address and manage such impacts and risks. PT SMI will determine the appropriate safeguards instruments to be prepared by the LGs for such mitigation measures or remedial actions in accordance with this ESMF. Depending on the nature of the environmental and social impacts, and hence the risks, and the availability and quality of the safeguards instruments available, PT SMI may require the LGs to prepare an AMDAL, or UKL-UPL, or an SPPL, or supplemental documents to these three instruments; and/or a Land Acquisition and Resettlement Action Plan (LARAP), a Plan of Action, and/or an Indigenous Peoples Plan (IPP) and/or a Corrective Action Plan for these three instruments in the case that they do not meet the requirements of this ESMF.

2. Ensuring adherence to ESMF

The LGs who seek for RIDF funding support are required to fill an environmental and social checklist, which contains a series of questions to determine the triggering safeguards policies and standards specified in this ESMF (refer to section 1.6.1).

The subproject proposals are initially assessed based on their level of preparedness:

(i) Type 1 – Subprojects during project identification stage (with sites that have not been selected and design options that are still open). The LGs will prepare and disclose all Environmental and Social Assessment documents (i.e. EIA, EMP, SIA, LARAP, IPP, etc.) prior to approval of the subproject by PT SMI. At this stage, it is suggested that the LGs collaborate with the PDF team to prepare the necessary documents. In case any Environmental and Social safeguards instruments have been prepared, PT SMI will assess such instruments in reference to the requirements specified in this ESMF. If there is a gap, PT SMI will require the LG to prepare a Supplemental Safeguards Instruments or a Remedial Action Plan to meet the requirements of this ESMF. If the LGs have not prepared any safeguards instruments and there is a need to prepare specific instruments to meet with the requirements of this ESMF, PT SMI will provide the ToRs for the LGs to prepare the required safeguards instruments.

(ii) Type 2 – Subprojects that have been fully prepared (where construction bids have been invited) where the required E&S safeguards instruments have been prepared. PT SMI will review the available E&S documents and will require its client to prepare a supplemental document based on a gap analysis in reference to the requirements specified in the ESMF or develop new ones based on the ToRs provided to meet the requirements specified in the ESMF.

(iii) Type 3 – Subprojects within the proximity of facilities that have already been constructed or an expansion of the existing infrastructure/facilities. PT SMI will carry out a due diligence, which will include site inspections and all necessary investigations, to confirm that: (a) the subproject is in compliance with the requirements specified in this ESMF; (b) there are no reputational risks for PT SMI and the World Bank Group (WBG); and (c) there are no legacy issues or no pending legal disputes or liabilities. Based on the findings of such an assessment, PT SMI will require its client to implement remedial measures, if needed, or to mitigate potential reputational risks or to address legacy issues or liabilities in the form of an Action Plan agreed by PT SMI.

All of the E&S safeguards documents shall be disclosed by the LGs prior to subproject appraisal.

2.7.3 Monitoring, supervision and reporting of the ESMF implementation

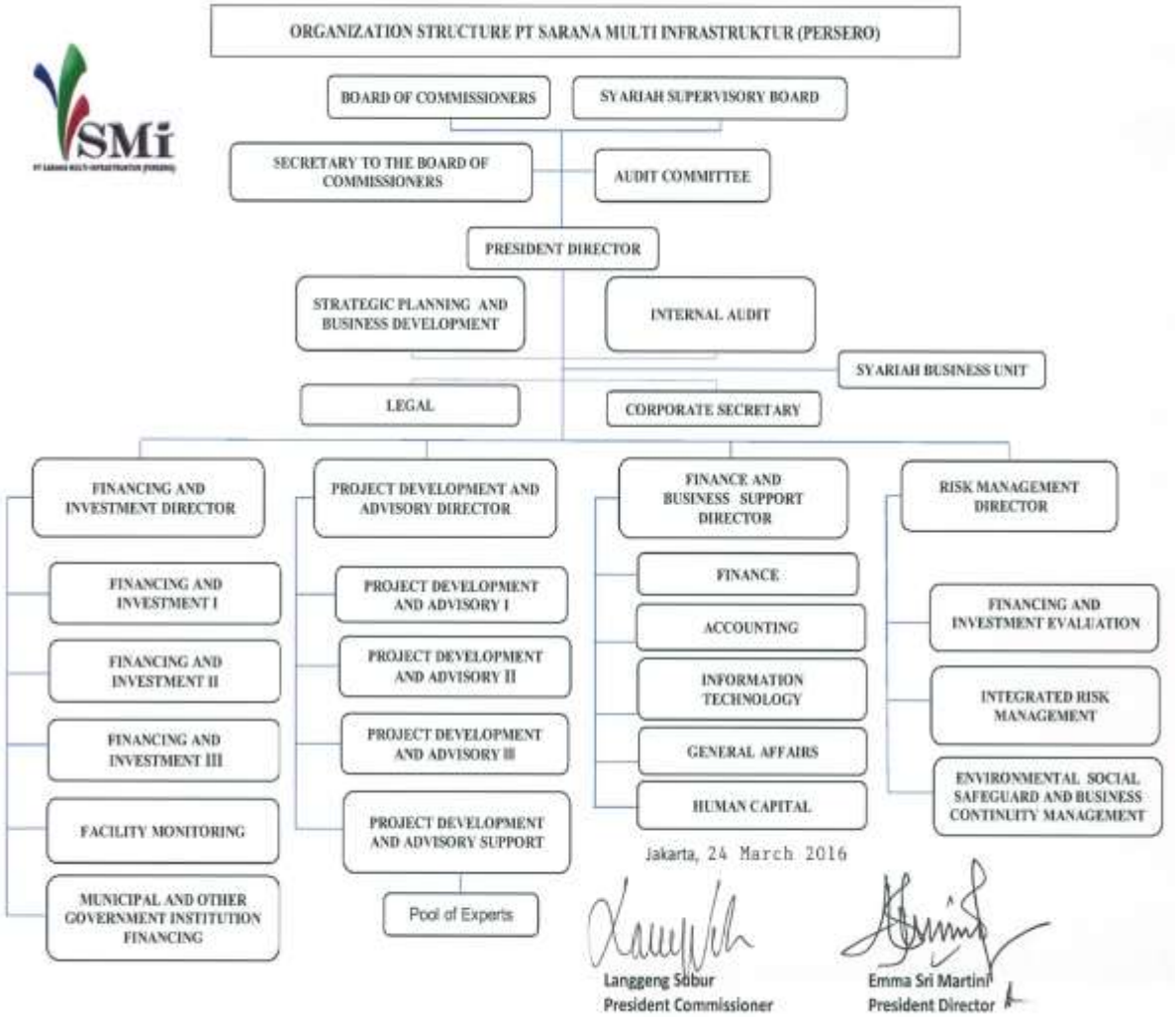
The subproject shall be monitored across its life-cycle to ensure that all the safeguards agreed-upon are successfully implemented and complied with. Environmental Social Safeguards and Business Continuity Management (ESSBCM) Division under the Directorate of Risk Management of PT SMI will do the monitoring, supervision and reporting of the ESMF implementation.

Further fund disbursements shall be linked to continuous compliance by the LGs. PT SMI will monitor all subprojects (during planning, construction and operation and maintenance stages) that it finances to ensure conformity to standards. Monitoring of environmental and social components will be carried out through environmental and social implementation/compliance reports that form part of quarterly progress reports. The LGs are expected to make adequate internal arrangements to monitor the implementation of the environmental and social mitigation plan and submit regular progress reports including environmental and social implementation compliance reports to PT SMI. This shall be elaborated in section 4.6.

2.7.4 Institutional arrangements for environmental and social safeguards management in PT SMI

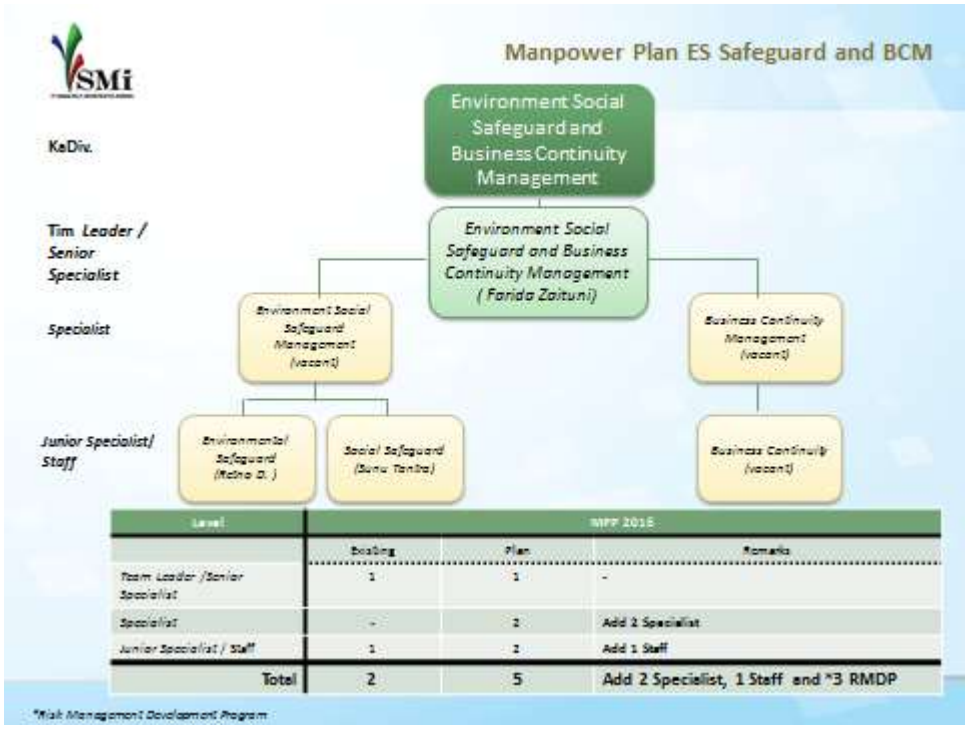
The RIDF Unit is located under the Directorate of Financing and Investment, at the Division of Investment for Local Goverment and Others (DPPIP), The Environmental Social Safeguard and Business Continuity Management (ESSBCM) Division locates at the Directorate Risk Management (see **Figure 2**).

Figure 2: Organization Structure of PT SMI



ESSBCM is a new structure, since for the previous one it was not a Division but a Team. It shows the commitment of PT SMI Management to really aware on the environmental social safeguards matters. The current staff of ESSBCM is three people including: 1 ESSBCM Team Leader; 1 Junior Environmental Safeguard Specialist; and 1 Social Safeguard Specialist (See **Figure 3**).

Figure 3: Manpower plan of ESSBCM Division



Currently the safeguards management practices in terms of its implementation into the project cycle has not been done properly. It is due to the lack of staff in the ESSBCM. However, In the very near future ESSBCM will have a Division Head, and add more people as is shown in **Figure 3**.

To strengthen the environmental and social management efforts, PT SMI will undertake the responsibility and leadership of the various issues related with the environmental and social management in Infrastructure Projects. In this sense, a number of activities have been identified to be undertaken by PT SMI to strengthen the environmental and social management within the institution and ensure the environmental and social sustainability of the projects supported by it.

Considering that the environmental and social management issues will have to be started from base level at PT SMI, following three components have been identified to strengthen it:

a) Activities to promote and disseminate the environmental and social management tools;

b) Training workshops on special subjects to improve the environmental and social management within the institution; and

c) Requirements of work teams and means for the environmental and social management.To anticipate the growing pipeline, ESSBCM wil also get support from some consultants in doing the job. The capacity building for the internal staff of PT SMI has already started by sending them to attend some trainings, among other to send them to the safeguards

training that was arranged by the World Bank. In the next in anticipation with growing portfolio and pipeline for local borrowing, PT SMI is planning to send the staff to get higher education, especially related to the environmental major.

In terms of the ESMF implementation, the ESSBCM will be responsible for subproject screening, impact assessment and subproject categorization, approval of the safeguards instruments, supervision and monitoring, as well as reporting. The ESSBCM will cooperate and coordinate with DPPIP as they are the one who is the point of contact with the LGs.

The Business division of PT SMI will use ESMF for screening subprojects. The Risk Management division will use ESMF for subproject appraisal to evaluate the level of environmental and social risks and the adequacy of the proposed mitigation measures, and arrive at the loan covenants. It is expected that the Risk Management division would have to recruit a manager/consultant to manage the environmental and social risks. Finally, the Financing Facility Control division will use ESMF to monitor compliance with the loan covenants and disclosure norms.

The LGs will use this ESMF to fill ESSC (Environmental and Social Safeguards Checklist) as parts of LAP (Loan Application Package) for RIDF financing, and for guidance on preparing the applicable impact mitigation instruments, such as AMDAL, UKL-UPL, LARAP, IPP, remedial action plan, etc.

Enforcing mitigation plans

The results of the subproject appraisal are to be translated into agreements on the implementation of the safeguards instruments between PT SMI and the LGs, which are to be incorporated in the loan agreement between PT SMI and the LGs. The loan covenant shall also specify measures in the case the LGs fail to consistently implement the safeguards instruments. A standard list of such covenants is provided in this document (refer to Annex 9).

Ensuring implementation of the mitigation plans

The LGs are required to regularly submit progress reports to PT SMI on the implementation of the mitigation plans as agreed in the safeguards instruments. Furthermore, PT SMI will undertake regular site visits to verify the progress and performance of the implementation of the agreed safeguards instruments.

In particular, ESMF requires that land acquisition and disclosure related requirements should be satisfied prior to the disbursal of loan.

2.7.5 World Bank support

In terms of safeguards, the Bank will review subprojects proposals as hands-on capacity building support for PT SMI, until PT SMI has sufficient capacity acceptable to the Bank in managing safeguards.

Possible Bank roles and responsibility in supporting PT SMI in implementing the ESMF are:

(1) Reviewing and approving subproject proposal and safeguards instruments
(2) Monitoring and providing implementation support to PT SMI in ensuring that the LGs fulfill the requirements specified in the ESMF
(3) Strengthening capacity of PT SMI
(4) Strengthening capacity of the LGs (if needed)

2.8 Consultation and Disclosure Plan for ESMF

A stakeholder consultation for the Draft ESMF was held by PT SMI in June 20-21, 2016 in Jakarta. The main purposes of the consultation were to seek inputs on the ESMF from the LGs, key central agencies, relevant NGOs and other institutions; and to socialize the PT SMI's ESMF commitment that follow international best practices in ensuring that subprojects to be financed by the RIDF meet the requirements of its ESMF. The consultation were attended by representatives of the LGs, NGOs, Ministry of Finance, Ministry of Public Works and Public Housing, Association of City Governments, Association of District (*Kabupaten*) Governments and Association of Provincial Governments, some representatives from local parliaments, and universities, etc. (Minutes of consultation isavailable, however it is still in Bahasa Indonesia). The invitation for this consultation was accompanied by a summary of the draft ESMF. PT SMI obtained positive feedbacks from the stakeholders, main concerns and suggestions.

This ESMF has been disclosed in the PT SMI's website on June 15, 2016.

Subproject specific safeguards instruments (such as AMDAL, UKL-UPL, LARAP, IPP, etc.) will be subject to consultations and disclosure by the LGs. The timing for consultations shall be carried out at the planning stage of subproject preparation. The LGs will disclose the AMDAL, UKL-UPL, LARAP, IPP, etc. at the planning stage of subproject preparation, in their websites, a public space accessible to the affected groups, local NGOs and other stakeholders.

2.9 Updating the ESMF and operationalization of ESMF

This ESMF is a document that may be updated by PT SMI from time to time in accordance to the needs and recent situation. The updated ESMF shall be approved by the World Bank and will be made available to the stakeholders through PT SMI's website.

Detail procedures to be followed by PT SMI for each type of subprojects for screening, impact assessment, determining safeguards instruments and remedial actions, monitoring, supervision and reporting as well as public consultation and disclosure for subprojects will be put in the project operation manual (POM), approved by the World Bank.

3. Environmental and Social Safeguards (ESS)

The objective of this ESMF is to ensure that the social and environmental commitments of the Indonesian government, PT SMI and the World Bank are adhered to. This ESMF is developed based on the Indonesian laws and regulations, PT SMI's Environmental and Social Safeguards principles, and the international standards including the triggered World Bank Safeguards Policies. A list of the triggered World Bank Safeguards Policies and Indonesian laws and regulations pertaining environmental and social safeguards is presented in Annex 10.

3.1 PT SMI's Environmental and social safeguards (PT SMI's ESS)

PT SMI follows a set of ten environmental and social safeguards principles including resource efficiency, pollution, biodiversity and energy conservation, and social concerns such as working conditions, involuntary resettlement, health and safety, inclusion of Indigenous Peoples and conservation of cultural heritage. The list of environmental and social safeguards principles and their objectives are as follow:

1. **ESS-1: Assessment and Management of Environmental & Social Risks and Impacts**
   - Prevent, or if prevention is impossible, to minimize, mitigate, or compensate the negative impacts on the environment and local communities.
   - Ensure that permits, mandated by the government to identify and assess positive or adverse environmental and social impacts, are obtained by project proponents prior to the project execution.
2. **ESS-2: Labour and Working Conditions**
   - Create, improve, and maintain relationships between the management and the workers.
   - Encourage fair treatment without discrimination, equal opportunities for workers and efforts to comply with the law. Preventing children labour and forced labour. Encourage safe and healthy working conditions as well as protect and promote worker health.
3. **ESS-3: Resource and Efficiency Pollution Prevention**
   - Prevent or minimize negative impacts on human health and environment by avoiding or minimizing pollution from project activities. Encourage reduction of emissions that contribute to climate change.

4. **ESS-4: Community Health and Safety**
   - Prevent or minimize the risks and impacts on health, safety and security of workers and surrounding community both in routine and non-routine activities.
   - Ensure protection of personnel and property is done properly so as to prevent or minimize risks to the community's safety and security.
5. **ESS-5: Land Acquisition, Restrictions on Land-Use and Involuntary Resettlement**
   - Avoid the negative impact or at least minimize the risk of involuntary resettlement.
   - Mitigate the social and economic impacts of land acquisition on the affected people by providing compensation for loss of assets at replacement cost; and ensuring that resettlement activities are undertaken properly, through information disclosure, consultation and informed participation of those affected.
   - Improve or at least restore the livelihoods and standards of living of the relocated people.
6. **ESS-6: Biodiversity Conservation and Sustainable Management of Natural resources**
   - Protect and conserve biodiversity and encourage sustainable development and natural resource utilization by applying integrated conservation techniques.
7. **ESS-7: Indigenous Peoples**
   - Protect Indigenous Peoples and local communities from development which is not in accordance with their educational, social and cultural levels, and thus impacts them adversely.
   - Encourage Indigenous Peoples and local communities to partner with the developers and share social and economic benefits of projects.
8. **ESS-8: Cultural Heritage**
   - Protect the cultural heritage from negative impacts of project activities and support its preservation.
   - Encourage the project developers to take responsibility towards protecting the cultural heritage around the project area.
9. **ESS-9: Energy Conservation and Environment-friendly Energy**
   - Support energy conservation as a saving effort in the resources use in order to safeguard natural resources and encourage the planned and directed resources use in a sustainable manner.

- Encourage the sustainable development and energy use through an integrated application of conservation having the development priorities.
- Promote the development of environment-friendly green energy facilities which are as an effort to increase new and renewable energy

10. ESS-10: Information Disclosure and Stakeholder Engagement

- Encourage the information transparency and encourage the participation of community and other stakeholders as fair and profitable consulting efforts.
- Encourage community participation in sustainable development in the affected area as an effort to facilitate the culture of consensus and democracy in the project and affected communities through a grievance mechanism

3.2 Gap analysis

The ESMF has included measures to address the gaps between the requirements of the World Bank Safeguards Policies and those of the Indonesian laws and regulations pertaining environmental and social safeguards (see **Table 3**).

Table 3: ESMF and addressing the gaps

No.	Safeguards	Gaps	ESMF (This ESMF covers PT SMI's ESS)
1	OP 4.01 Environmental Assessment	▪ Some components are not being assessed in a comprehensive manner under AMDAL/UKL-UPL. e.g. social impact, public consultation, project area of influence, ancillary facilities, bio diversity, labour and working conditions, community health and safety, IPs (Indigenous Peoples) and cultural heritage related to the project.	▪ ESMF provides a guideline on conducting gap analysis of AMDAL and UKL-UPL against the World Bank's Safeguard Policies. ESMF covers this in Chapter 4 and ESS 1, 2, 4, 6. ▪ ESMF also requires an EIA/EMP document to be prepared, in addition to the AMDAL documents, following the World Bank's safeguard requirements. ▪ ESMF mandates the AMDAL to ensure setting up a grievance mechanisms, especially related to social

No.	Safeguards	Gaps	ESMF (This ESMF covers PT SMI's ESS)
			issues and impacts due to subproject activities beyond land acquisition.
2	OP 4.04 Natural Habitats	▪ The AMDAL and UKL-UPL documents list the flora and fauna found at the project area of influence, but limited or no information on natural and/or critical habitats.	▪ ESMF covers these aspects in section 4 and Annex 4 and ESS 6. ▪ ESMF also states that finding from the gap analysis will form the input for bid document.
3	OP 4.36 Forests	▪ There are clear directives from the government on protected areas and status. Projects located in protected areas automatically require AMDAL. ▪ There seems to be ambiguity in the national legislation in recognizing ownership of indigenous people's forests, which states these are state forests located on IPs' land.	
4	OP 4.09 Pest Management	In general, the institutional capacity for supervision and enforcement of pesticide use in Indonesia is weak. The regulation does not specify the requirements for developing and implementing a pest management plan at the project level.	ESMF covers this in section 4 and ESS 3.
5	OP 4.11 Physical Cultural Resources	▪ AMDAL and UKL-UPL rarely assess impacts on physical cultural heritage and lacks focus on conservation. ▪ Projects rarely develop	▪ ESMF covers in section 4 and ESS 8.

No.	Safeguards	Gaps	ESMF (This ESMF covers PT SMI's ESS)
		'Chance Find Protocols' that addresses the possibility and management of finding a cultural site or object inside a project area. ▪ Physical cultural heritage aspects of a project are rarely discussed in public consultations and there is no disclosure mechanism in place.	
6	OP 4.12 Involuntary Resettlement	▪ Legislations on land acquisition are focused on land obtained for public developments. ▪ Indirect impacts are not covered in the land acquisition law ▪ 'Linked activities' are not covered ▪ Host communities are not explicitly covered in the GOI regulation ▪ No specific measures to protect interests of vulnerable sections or women are in place ▪ The required impact mitigation measures are not elaborated ▪ Livelihoods ▪ Restriction on access	▪ ESMF mandates screening process for land acquisition during the preparation phase ▪ ESMF also includes the land acquisition and resettlement action plan as an additional study to be conducted by the winning bidder. ▪ ESMF covers this in section 5 and ESS 5. ▪ The LARAP requires information on the vulnerable groups (women very poor, disable, etc.) ▪ The LARPF specified that licensed appraisers compensation criteria include among others, assistance and livelihood ▪ ESMF mandates preparation of LARAP when subprojects involves involuntary land acquisition and resettlement

No.	Safeguards	Gaps	ESMF (This ESMF covers PT SMI's ESS)
			▪ LARPF presents options for compensation ▪ LARPF provides requirements for compensation options, and licensed appraisers assess physical assets, cost and loss of non- physical assets and premium ▪ IPP (Indigenous Peoples' Plan) specified that if a subproject needs to acquire land and affects indigenous population, LARPF applies. ▪ A process framework (similar to the Forest Partnership in Indonesian Legislation) is covered in the ESMF and is prepared when Bank-supported projects may cause restrictions in access to natural resources in legally designated parks and protected areas when the project causes restricted area.
7	OP 4.10 Indigenous Peoples	▪ There are no specific Indonesian laws that regulate to IPs, but recognition of the existence of IPs varies from one sector to the other sectors as well as other forms of recognition of IPs by governments. In addition there are also international agreements that have been ratified by Indonesia, and	▪ ESMF has included the IPs desktop study in the TOR for the environmental assessment plans ▪ ESMF covers this in Section 4 and ESS 7, also the ESMF has incorporated relevant regulations related to IPs in Chapter 6. ▪ ESMF has also mentioned

No.	Safeguards	Gaps	ESMF (This ESMF covers PT SMI's ESS)
		implemented in the legislation and also discourses at national level regarding the recognition of IPs.	IPs in several places, including requirement to conduct gap analysis, requirement as an additional study to be conducted as needed, and inclusion of this component into the environmental & social document, RFP, and included into the guideline for IPPF and IPP.
8	OP 4.37 Safety of Dam	▪ There is no requirement for the provision of panel of experts for DAM construction higher than 15 meters.	▪ ESMF covers this in section 4 and ESS 4.

4. Environmental and social management framework – Operational Procedures

The scope of this chapter is limited to establishing the relationship between the business process of RIDF and the implementation of ESMF.

4.1 Operational design of ESMF

The process involves 5 stages (see **Figure 1**):

- Step 1: Loan application by the LGs
- Step 2: Initial screening
- Step 3: Detailed project appraisal
- Step 4: Loan sanction and disbursement
- Step 5: Project implementation and monitoring

4.1.1 Step 1 - Loan application by the LGs

Business procedure: The LGs apply to PT SMI for a loan by submitting the LAP.

ESMF application: The LGs are required to fill an ESSC. This checklist is included as part of the LAP. In filling the checklist, the LGs need to report whether or not the proposed subproject falls in the ESEL (Environmental and Social Project Exclusion List), assess the proximity of environmentally sensitive areas, make initial assessment of potential environmental and social impacts, and to what extent the proposed subproject will have to acquire land and make initial screening whether IPs are presence in the subproject area or would be affected by the proposed subproject, categorize the subproject based on magnitude of the risk and report the stage at which project currently is. Methods for the LGs to categorize subprojects in terms of environmental and social impacts and risks are presented in Annex 1 (refer to **Table 6**).

4.1.2 Step 2 – Business procedure/Screening:

1. The LAP is screened against eligibility criteria, as part of preliminary assessment by the business division of PT SMI.
2. The business division will examine the following aspects of the sub-project:
    a. Conformance to policy and regulation with regards to related infrastructure sector and loan provision;

b. Readiness of the subproject including availability of feasibility study of the subproject and, subproject implementation plan

3. The business division prepares an initial screening report.
4. If the applicant satisfies all key criteria, the subproject proposal is forwarded to the risk management division for appraisal process. When the decision is made to proceed to appraisal stage, a 'confirmation to proceed' letter is issued by the business division to the LGs.

ESMF application:

PT SMI (ESSBCM Division under Risk Management Directorate) will carry out the following activities:

1. The following environmental and social eligibility criteria must be observed,
   a. An ESEL is to be made part of the eligibility criteria. Only loan applications pertaining to subproject not falling in the ESEL are to be considered eligible.
   b. Prepare impact mitigation plans commensurate with the identified environmental and social risk addressing all triggered policies/laws/regulations as specified in this ESMF
2. As part of the initial screening report, the following must be reported:
   a. Result of the screening against the ESEL
   b. Verification of subproject categorization
   c. List of applicable policies/laws/regulations
   d. List of safeguards readiness: subproject type
   e. Compliance with national laws and permit requirements
   f. Risk mitigation instrument applicable and required terms of reference
   g. Compliance with ESMF when planning for impact mitigation
3. The 'confirmation to proceed' letter shall be issued to the applicant only after the environmental and social eligibility criteria indicated above are fulfilled. The letter will specify the list of requirements (for instance what type of safeguards instruments need to be prepared, or remedial action, or else) that the LGs need to do and submit prior to subproject appraisal.

4.1.3 Step 3 – Detailed subproject appraisal:

PT SMI (ESSBCM Division under Risk Management Directorate) will carry out the following activities:

Business procedure:

1. The feasibility study is verified for comprehensiveness, accuracy and reliability
2. The project's feasibility is evaluated.

3. On finding the project viable, a recommendation is submitted to the credit committee

ESMF application:

1. E&S risk mitigation instruments are to be verified for comprehensiveness, accuracy and reliability
2. The environmental and social sustainability of the subproject, considering the mitigation measures proposed, should be evaluated
3. Only if the subproject is found to be socially and environmentally sustainable and has met the requirements specified in this ESMF, can be recommended to the credit committee to proceed with further step
4. The recommendation letter consists of (1) a summary activities that the LGs should do based on the approved safeguards instruments with clear timeline and estimated costs and source of funding (prior to loan signing, during subproject construction, during subproject operation); (2) proposed clause of agreements that need to be put in the loan agreement; this proposed clauses should have been discussed between ESSBCM Division and Law Division of PT SMI.

4.1.4 Step 4 – Loan sanction and disbursement

PT SMI (Division of Investment for Local Goverment and Other Institutions / "DPPIPL" - *Divisi Pembiayaan Pemda and Instansi Pemerintah Lainnya*) will carry out the following activities:

Business procedure

1. Loan sanction letter is sent to the LGs if the credit committee, and subsequently the RIDF board, approves the LGs to borrow for the subproject. The loan sanction letter contains the necessary loan covenants to ensure compliance with applicable policies and the linkages of the loan disbursement to implementation schedules
2. After the LGs agree with the stipulations in the loan sanction letter, a loan agreement is to be drafted, which includes all applicable covenants.

ESMF application

1. Every loan sanction letter is required to be accompanied by a list of mandatory environmental and social covenants (refer Annex 9) in addition to any other covenants emerging from the E&S appraisal of the subproject.
2. In addition to conveying its agreement to stipulated loan covenants the LG must also submit a certificate of readiness and proof of adherence to disclosure requirements.
3. Furthermore, the loan disbursement is to be linked to the disclosure and land acquisition/resettlement checklist.

4.1.5 Step 5 - Project implementation and monitoring

Business procedure

1. The RIDF procurement team (lead by Manager- Procurement) will guide the LGs in undertaking subproject procurement. The team will suggest bid documents to the LGs; provide support the LGs during pre-bid meetings; support bid evaluation; help identify the successful bidder; and approve works agreement / contract documents. The procurement of subproject will be done through an ULP with e-procurement by the entity who finance the subproject. In this case, the LGs finance its subproject itself although the funds are obtained through borrowing.
2. The LGs would be required to submit quarterly progress reports, indicating physical and financial milestones targeted and achieved.
3. Monthly reports on quality of work should be submitted during the progress review of every subproject. A format indicating technical parameters for ensuring quality would be prepared and given to the PMC (Project Management Consultant) / local body (whoever is responsible to supervise the quality of work).
4. After the subproject is completed, a post-evaluation report is to be prepared and submitted to the RIDF board.
5. In terms of the ESMF, PT SMI will give guidance in the ESMF (and OM) to the LGs, to incorporate mitigation measures as specified in the safeguards instruments (AMDAL, UKL-UPL, LARAP, IPP etc.) that have to be implemented by the winning contractor who will be responsible for construction.

ESMF application

1. The bidding document should contain the mitigation measures activities recommended by the safeguards instruments (such as AMDAL, UKL-UPL, LARAP, IPP, etc.) approved prior to subproject appraisal that need to be implemented by the winning contractors during construction.
2. Guidance for the LGs to include the mitigation measures that need to be done by the winning contractor during construction as specified in the safeguards instruments (AMDAL, UKL-UPL, LARAP, IPP, etc.) is presented in Annex 4, 5 and 6.
3. As part of the quarterly progress reports (QPR), borrowers (LGs) are to submit progress in implementing provisions of the risk mitigation instruments (outline of QPR is presented in POM).
4. The template provided for quality monitoring should also include environmental and social considerations (template is provided in the POM).
5. Upon completion of the subproject, the extent of environmental and social impacts mitigated should be recorded according to prescribed performance parameters (format is presented in the POM).

5. Procedural Guidance for Following the ESMF

5.1 Step 1- Loan application

The LGs are required to fill the template provided in Annex 1. The information that needs to be provided covers:

1. Name of the subproject and the local government
2. Subproject location, sector/subsector and description
3. Proximity of the subproject to environmentally sensitive areas (use Annex 1B)
4. Environmental and social impact information summarized from AMDAL/UKL-UPL/SPPL (if these documents are already available)
5. Information on the availability of the environmental and social safeguards documents

Social assessment, summary of potential impacts, determination of risk category and safeguard policies triggered by the subproject will be carried out by PT SMI (see **Figure 1**).

5.1.1 Exclusion list

A subproject or any of its sub-components which falls within the ESEL is not applicable for assistance under RIDF (see **Table 4**).

Table 4: Environmental and social project exclusion list

Environmental and social project exclusion list for RIDF
▪ Production or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements, or subject to international bans, such as pharmaceuticals, pesticides/herbicides, ozone depleting substances, wildlife or products regulated under the Convention on International Trade in Endangered Species of Wild Fauna and Flora ▪ Manufacturing or trade in weapons and munitions ▪ Production or trade in alcoholic beverages (excluding beer and wine) ▪ Production or trade in tobacco ▪ Gambling, casinos and equivalent enterprises ▪ Production or trade in radioactive materials. This does not apply to the purchase of medical equipment, quality control (measurement) equipment and any equipment where International Finance Corporation considers the radioactive source to be insignificant and/or adequately shielded ▪ Production or trade in un-bonded asbestos fibres. This does not apply to purchase and

Environmental and social project exclusion list for RIDF
use of bonded asbestos cement sheeting where the asbestos content is less than 20%; ▪ Drift net fishing in the marine environment using nets in excess of 2.5 km. in length ▪ Production or activities involving harmful or exploitative forms of forced labour/harmful child labour. ▪ Commercial logging operations for use in primary tropical moist forest. ▪ Production or trade in wood or other forestry products other than from sustainably managed forests ▪ Production, trade, storage, or transport of significant volumes of hazardous chemicals, or commercial scale usage of hazardous chemicals such as gasoline, kerosene, and other petroleum products. ▪ Production or activities that impinge on the lands owned, used, or claimed under adjudication, by Indigenous Peoples, without full documented free, prior, informed consultation and consent from such people.

5.1.2 Proximity to environmentally sensitive areas

The list of environmentally sensitive areas, as specified in the Presidential Decree No. 32 of 1990, and their definitions are provided in **Table 5** below. If a subproject location falls in any of these areas, it should be mentioned in the screening template. Further, details information of subproject site and the subproject sub-components affecting the sensitive areas are to be provided.

Table 5: Environmentally sensitive areas

No.	Environmentally sensitive areas based on subproject location	Definition
1.	Protected forest area	Forest on the slopes ≥ 40 %, ≥ 2,000 m above sea level.
2.	Peaty area (*kawasan bergambut*)	Peaty soil with a thickness of ≥ 3 meters
3.	Water catchment boundary	▪ high rainfall, soil structure ▪ easy to absorb water ▪ geomorphological forms that can absorb rain water on a large scale

No.	Environmentally sensitive areas based on subproject location	Definition
4.	Beach boundary	At least 100 meters from the highest tide
5.	River boundary	▪ River outside of settlement area, a both side At least 100 meters on big river and 50 meters on small river ▪ River around settlement area, estimated to be enough to build the road with cross-section between 10-15 meters
6.	Around lake or reservoir area	At least 50 – 100 m from the high tide
7.	Spring water boundary area	Radius 200 m from spring water
8.	Sea wildlife	Marine, inland waters, coastal areas, estuaries, and a cluster of coral atolls which have characteristics such as diversity and /or unique ecosystems
9.	Mangrove forested coastal area (*kawasan pantai berhutan bakau*)	Minimum 130 times the average value of the difference between the highest and lowest tide.
10.	National park and national park marine	Having good diversity plant and animal, good landscape, and good access for tourism purposes
11.	Forest park	Forest Park is a conservation zone that is mainly utilized for the purpose of collection of plants or animals, the development of science, education and training, culture, tourism and recreation
12.	Heritage and science regional area	▪ Spot and space around high cultural value buildings, archaeological sites and regions. ▪ Area with specific geological formations that have high benefits for science development.
13.	Natural park	a. Designated region has a high diversity of plants and wildlife and ecosystem types; b. Representing the formation of certain species c. Has natural conditions, do not or have not been disturbed by human; d. Unique and may be the only one in a region, and requires conservation efforts.
14.	Forest park tourism area	a. an interesting and aesthetic either natural or

No.	Environmentally sensitive areas based on subproject location	Definition
		man-made; b. Good for recreation and sports as well as located near the centres of settlement; c. Have sufficient and safe area
15.	Germplasm protection area	Have unique types of germplasm
16.	Fauna transit area	a. Area of wildlife origin inhabited b. Has a specific area that allows the life cycle of these species
17.	Natural disaster area	Area potential for eruption, and land slide

5.1.3 Potential environmental impacts

Potential environmental impacts can be identified through the guidance table (see **Table 6**).

Table 6: Sector-wise key environmental issues

No.	Investment focus sector	Eligible Subprojects	Key environmental issues
1.	Water supply and wastewater treatment	**Water Supply** • Construction/rehabilitation/capacity augmentation of dams, lakes and reservoirs for purpose of supply of water to urban areas. The eligible costs shall include the expenses towards embankments, earthen works, diversion channels, source diversion and other similar works. • Construction of infrastructure incidental to source augmentation such as construction of jack-wells/bore wells,	<u>Water treatment</u> i. Solid waste residuals generated during water treatment such as process residuals, used filtration membranes ii. Wastewater from water treatment projects such as filter backwash, reject streams from membrane filtration processes, and brine streams from ion exchange or demineralization processes iii. Storage of hazardous chemicals for treatment processes iv. Air emission from water treatment operations

No.	Investment focus sector	Eligible Subprojects	Key environmental issues
		pumping equipment, etc. • Development of new water treatment plants and capacity augmentation of existing treatment plants including treatment technologies, civil works, etc. • Construction and laying of raw water transmission and treated water distribution systems (pipes, pumping stations, tanks, etc.). Including replacement and/or rehabilitation of the existing water supply systems • Installation of water meters at consumer and bulk connections and associated monitoring systems. • Implementation of SCADA and other systems for monitoring and pressure control. • Construction and installation of desalination plants for urban water supply in coastal areas.	including ozone (in the case of ozone disinfection) and gaseous or volatile chemicals used for disinfection (e.g., chlorine and ammonia) <u>Water distribution</u> i. Water system leaks ii. Water pipe flushing in which the discharge is high in suspended solids, residual chlorine, and other contaminants that can harm surface water bodies
		Sewerage • Collection network and waste-water treatment facility	<u>Domestic wastewater discharges</u> i. Uncontrolled discharge of domestic wastewater, including sewage and grey water, into aquatic systems

No.	Investment focus sector	Eligible Subprojects	Key environmental issues
		• Pumping stations and machinery • Regional facilities and system automation	can lead to microbial and chemical contamination, depleting oxygen levels, increasing turbidity, and lower levels of eutrophication. ii. Wastewater discharge onto streets or open ground can contribute to the spread of disease, odours, contaminate wells, lead to deterioration of streets, etc. <u>Industrial wastewater discharges</u> i. Leaks and overflows from the sewerage system can contaminate soil, groundwater, and surface water <u>Wastewater and sludge treatment and discharge</u> i. Quantity of liquid effluents ii. Solids removed from wastewater collection and treatment iii. Air emissions from wastewater treatment operations include hydrogen sulphide, methane, ozone (in the case of ozone disinfection), volatile organic compounds (such as from industrial discharges), gaseous or volatile chemicals used for disinfection (e.g., chlorine and ammonia) and bio aerosols iv. Wastewater treatment often includes use of hazardous

No.	Investment focus sector	Eligible Subprojects	Key environmental issues
			chemicals, such as strong acids and bases for pH control, chlorine or other compounds for disinfection v. Accidents and injuries, chemical exposure, hazardous atmosphere, exposure to pathogens and vectors and noise related to occupational health & safety
2.	Environmental Infrastructure	**Solid Waste Management** • Construction of a municipal waste-processing facility (sanitary, land-fill, processing plant, incineration unit, etc.). • Construction of construction and demolition waste processing facility. • Waste recycling project. • Purchase of vehicles and bins for solid waste collection. • Development of vehicle-tracking and waste disposal monitoring system.	<u>Municipal solid waste (MSW)</u> i. Air emissions from MSW collection and transport such as dust and bio-aerosols, odours, and vehicle emissions ii. Leachate from waste piles caused by exposure to precipitation and from residual liquids in the waste itself containing organic matter, nutrients, metals, salts, pathogens, and hazardous chemicals iii. Litter during waste collection, unloading, processing, and storage iv. Noise and vibration by truck traffic; loading equipment (e.g., cranes, wheeled loaders), stationary compactors, balers, grinders, and other treatment and conveyance systems v. Air emissions from incineration vi. Landfill leachate collection and disposal

No.	Investment focus sector	Eligible Subprojects	Key environmental issues
			vii. Landfill gas emissions and methane capture and management <u>Industrial hazardous waste</u> i. Spills and releases during waste transport ii. Air emissions such as releases of particulate matter and volatile organic compounds from storage vessels and waste processing equipment iii. Air emissions associated with storage and transfer operations iv. Generation of wash water and runoff from waste management areas v. Wastewater from biological and chemical processes like runoff and leachate vi. Solid waste residuals from biological and chemical treatments vii. Incinerator bottom ash viii. Migration of hazardous constituents in land filled industrial hazardous wastes as leachate or in the gas phase
		Drainage • Development of storm water drainage network • Rehabilitation of existing drainage networks	i. Potentially of dumping garbage area ii. Waste from construction material

No.	Investment focus sector	Eligible Subprojects	Key environmental issues
		• De-silting and/or strengthening of natural drains	
		Energy Efficiency • Improvement of electricity installation and equipment in building and public facilities • Retrofitting building and infrastructure with efficient energy consumption instruments • Improving system that can control energy consumption	i. Safety issues ii. Waste from construction material
3.	Low-Income Housing & Slum Upgrading	**Housing** • Public housing units in slum areas (in-situ and or relocation) • Integrated urban upgrading including water, sewerage, drainage, roads and street lighting, etc.	<u>Planning</u> i. Alteration in natural drainage systems ii. Alteration of land use iii. Impacts of the proposed activity on the facilities adjacent to the proposed site <u>Construction phase</u> iv. Construction activities like site clearance, excavation, foundation preparation, material movement on site, haul roads v. Dust emissions from construction camps, stockpile areas, storage of materials vi. Quantities of earthwork involved in the construction activity-cutting, filling, reclamation

No.	Investment focus sector	Eligible Subprojects	Key environmental issues
			vii. Exhaust from construction machinery and equipment including generators, earth moving equipment and transport vehicles viii. Felling of trees during site clearance ix. Demand of water for construction activities and labour camps x. Conversion of industrial land use to residential – soil contamination xi. Runoff from construction activities, dumping of debris and excavation spoils on neighbouring water bodies, lands xii. Water demand for construction xiii. Water drawl impacts on ground water <u>Operation phase</u> i. Solid waste management ii. Sewerage iii. Water consumption iv. Storm water management v. Parking spaces vi. Micro-climate alteration due to building/s vii. Fire hazard
4.	Transportation, Productive, Logistics Infrastructure	**Mass transportation** • Development of mass transit (non - rail based) infrastructure. • Purchase of public buses	Key issues related to widening of roads for metro rail and bus rapid transport system (BRTS) is listed under roads

No.	Investment focus sector	Eligible Subprojects	Key environmental issues
		• Development of street-furniture for bus-stops • Development of bus depot and shelters • Development of dedicated BRT lane and related infrastructure, tracking and monitoring system for operating BRT etc.	**Metro rail projects** <u>Construction phase</u> i. Cutting of trees ii. Storage and disposal of construction debris iii. Runoff from excavated material or stored construction material to neighbouring water bodies iv. Emissions owing to transportation of construction material v. Emissions from haul roads vi. Use of diesel generator sets and storage of diesel vii. Use of heavy plant and machinery like cranes viii. Landfilling and reclamation in coastal areas for train maintenance depots, casting yards ix. Traffic diversion and congestion during construction increasing air pollution x. Noise from mechanical piling and rafting xi. Noise from using of impact and pneumatic machinery and occupational safety xii. Dewatering of excavated areas xiii. Batching plant – air emissions xiv. Labour camp – sanitation, waste disposal

No.	Investment focus sector	Eligible Subprojects	Key environmental issues
			Operation phase i. Generation of solid waste ii. Illumination at stations and along the line causing public intrusion iii. Traffic congestion near stations – air quality, noise iv. Washing of rakes-generation of effluents v. Chemical storage (transformer/ diesel/ mobile oil, grease, turpentine etc. vi. Generation of hazardous waste (waste oil) vii. Visual impacts – overhead rail viii. Use of overhead equipment for electrification - safety **Bus rapid transit system projects** Construction phase i. Felling of trees within right of way (ROW) ii. Traffic congestion due to road constriction / diversions iii. Exhaust from construction machinery, equipment including generators, earth moving equipment and transport vehicles iv. Disposal of excavation spoil material and transportation of materials v. Labour camps demand for fuel wood, solid waste management, sanitation vi. Construction activities like

No.	Investment focus sector	Eligible Subprojects	Key environmental issues
			site clearance, excavation, foundation preparation, material movement on site, haul roads vii. Dust from construction camps, stockpile areas, storage of materials viii. Demand of water for construction and from labour camps ix. Construction and honking by vehicles especially in and around demarcated silent zones x. Air pollution, increase in noise levels and obstruction to access of some areas xi. Use of diesel powered construction equipment xii. Reduction in ROW during construction xiii. Disposal of material xiv. Traffic congestion, diesel powered equipment, material transportation xv. Extraction of soil from borrow pits and extraction of rocks and sand from river beds xvi. Runoff from construction activities, dumping of debris and excavation spoils <u>Operation phase</u> i. Location of bus stops ii. Design and configuration of buses iii. Traffic congestions due to

No.	Investment focus sector	Eligible Subprojects	Key environmental issues
			reduced roadway capacity by operation of bus rapid transit (BRT) <u>Others</u> i. Increase in impermeable surface area thus increasing the rate of surface water runoff ii. Solid waste/residues generated during construction and maintenance of roads iii. Air emissions due to dust during construction and exhaust from vehicles iv. Wastewater discharges from maintenance facilities v. Traffic noise that is generated by vehicles, exhaust emissions, aerodynamic sources, and tire / pavement interaction vi. Physical, chemical and biological hazards related to occupational health and safety vii. Chance find of artefacts with archaeological or historical value
		Road and bridges • New carriageway development (at grade, flyovers, bridges) • Road rehabilitation, upgradation and/or widening • Junction-improvements	i. Safety, health, and traffic management issues ii. Waste from construction material

No.	Investment focus sector	Eligible Subprojects	Key environmental issues
		projects • Development of pedestrian infrastructure (foot-over bridges, footpath, street furniture, street-lighting, etc.). • Development of multi-level car parking structure • Development of traffic monitoring and management system • Development of building and/or facilities to house traffic management unit.	
		Irrigation • Irrigation infrastructure development	i. Safety and health issues ii. Waste from construction material
5.	Social Infrastructure	**Health care facilities** • Development of new hospitals • Rehabilitation and/or expansion of hospitals • Development of facilities incidental to the main infrastructure, such as parking facilities and equipment (medical equipment & beds for hospitals, etc.)	i. Hazardous health care waste ii. Emissions due to exhaust air from heating, ventilation, and air conditioning (HVAC) systems, ventilation of medical gases and emissions from medical waste storage areas, medical technology areas, and isolation wards, exhaust from medical waste incineration iii. Contaminated wastewater from discharges from medical wards and operating theatres (e.g. body fluids and excreta, anatomical waste),

No.	Investment focus sector	Eligible Subprojects	Key environmental issues
			laboratories (e.g. microbiological cultures, stocks of infectious agents),pharmaceutical and chemical stores; cleaning activities (e.g. waste storage rooms), and x-ray development facilities, treatment disposal technologies and techniques like autoclaving, microwave irradiation, chemical disinfection, and incineration iv. Exposure to infections and diseases, exposure to hazardous materials / waste, exposure to radiation and fire safety related to occupational health and safety
		Education • Development of new schools • Rehabilitation and/or expansion of schools • Development of facilities incidental to the main infrastructure such as parking facilities and equipment (teaching aid and furniture for schools, etc.)	i. Educational facilities would require construction of infrastructure – land, building. ii. Key issues faced here would be same as those listed under housing
		Traditional market • Development of new public markets. • Rehabilitation and/or expansion of public markets.	Similarly to education, traditional market would require construction of infrastructure – land and building. Key issues faced here would be the same as those listed under low-income housing and education sector

No.	Investment focus sector	Eligible Subprojects	Key environmental issues
		• Development of facilities incidental to the main infrastructure such as parking facilities and equipment (storage and warehousing for markets, etc.)	

5.1.4 Potential social impacts

The screening template consists of a questionnaire on various potential social impacts. The types of impacts covered by this questionnaire are given below:

1. Possibility of involuntary resettlement
2. Magnitude and nature of people displaced
3. Impacts on livelihoods
4. Impacts on access restriction
5. Magnitude and nature of assets affected
6. Vulnerable and gender focus of the subproject
7. Health & safety of the community
8. Impacts on cultural heritage
9. Labour and working conditions
10. Impacts of subproject on Indigenous Peoples

The LGs shall prepare the LARAP and IPP documents in the case that a subproject involve land acquisition and involuntary resettlement and/or affect IPs, respectively. Social impacts beyond land acquisition and involuntary resettlement should be identified and addressed as part of the environmental impact assessment (AMDAL or UKL-UPL).

5.1.5 Project categorization

PT SMI (ESSBCM Division) will decide the risk category of a subproject. Categorization is determined based on the level or intensity of the potential environmental and social impacts of the subproject (see **Table 7**). The principles to be followed in allocating the risk category:

1. If a subproject fulfils even one criteria, the corresponding risk category shall be applicable to the subproject
2. A subproject can be assigned only one risk category. If more than one risk category is applicable to a subproject, the more severe shall apply.

Table 7: Risk category of subprojects

Risk Category	Criteria	Typical Subprojects
A	Project requires AMDAL, OR There are potentially significant negative impacts on the environment which are both sensitive and diverse, which may be long-term in nature, OR There are potentially significant negative social impacts which are both sensitive and diverse, OR There are potentially significant impacts on health and security	i. Large-scale dams and reservoirs ii. Development of new industrial estates iii. Extractive industries , including oil and gas development iv. Development of ports, airports, railways and major train station v. Development projects involving the brownfield development on important public lands vi. Development of large power plants vii. Development of toll roads and toll bridges
B	Project requires UKL-UPL, OR there are potential negative environmental impacts but they local to the project-site, and short-term in nature OR there are potential negative impacts related to social issues that only localized at the project site OR There are health and security issues but they are not significant	i. Transmission of electricity ii. Telecommunication iii. Renewable energy (except hydroelectricity projects with large scale) iv. Drinking water and sanitation v. New project in an industrial area vi. Development of waste water treatment facilities
C	Project requires SPPL, and the project has zero or minimal potential negative impact on the environment, and there are no potential social issues, and there are no potential health and safety issues	i. Road construction on a small scale , such as village roads / residential ii. Development of biogas in a household scale

Projects that fall under categories A or B are required to prepare environmental and social mitigation plans.

Social impacts sensitivity will also contribute to the determination of the subproject risk category. The higher the sensitivity of a subproject, the higher the risk could be and PT SMI (ESSBCM Division of the Risk Management Directorate) has to pay more attention on the mitigation measures specified in the social safeguards instruments proposed by the LGs. **Table 8** below provides guidance to measure the sensitivity of a subproject in terms of social impacts.

Table 8: Social impacts sensitivity

Issues	Site Sensitivity		
	Low	**Medium**	**High**
Involuntary resettlement	Low population density; dispersed population; land tenure is well-defined; homogenous population in terms of culture and economic activities	Medium population density; mixed ownership and land tenure; heterogeneous population in terms of culture and economic activities	High population density; major towns and villages; low income families and/or illegal land ownerships; communal properties; high heterogeneous population in terms of culture and economic activities
IPs	No IPs	Dispersed or mixed IPs; highly acculturated IPs	IPs territories; reserves and/or land for cultural, social and economic activities; vulnerable IPs; unclear rights of IPs

Identifying applicable policies/laws/regulations

One of the fundamental uses of the ESMF is to identify the triggered applicable national laws and regulations, PT SMI and World Bank's safeguards policies for a proposed subproject. **Table 9** provides the applicability of safeguards. Based on this applicability matrix, the relevant safeguards policies triggered are to be marked in the Screening Checklist.

Table 9: Policy trigger matrix

Trigger	National laws and regulations	PT SMI standards	International standard operating policies
Subproject may cause environmental impact	a. Law No. 3 of 2009 b. Government Resolution No. 27 of 2012 c. Minister of Environment Regulation No. 5 of 2012 d. Government Regulation No. 82 of 2011 e. Government Regulation No. 41 of 1999 f. Government Regulation No. 101 of 2014	ESS-1	WB OP 4.01; WBG General EHS Guidelines and Industry Sector Guidelines (refer to Annex 1D and Annex 10)
Subproject may adversely impact natural habitat or threatened species	a. Law No. 41 on Forestry and Constitutional Court decision No. 35/PUU-X/2012 b. Ministerial Regulation of MOH No. P.62/2013 c. MOHA Regulation No. 52/2014 d. Regulation of Minister of Land Agency and Spatial Development No. 9 of 2015 e. Law No. 18 of 2013	ESS-6	WB OP 4.04, OP 4.36
Subproject may adversely impact places/objects of	-	ESS-8	WB OP 4.11

Trigger	National laws and regulations	PT SMI standards	International standard operating policies
cultural/historical values			IFC PS 8
Peoples belonging to the traditional community live/IPs occupy or use the subproject sites or the neighbouring areas of the subproject site or affected by a subproject	a. Law No. 5 of 1960 b. Presidential Decree No. 111/1999 c. Law No. 41/1999 on Forestry (plus Constitutional Court Decision No. 35/PUU-X/2012): Procedures to Settle Land Ownership Conflict in Forest Areas d. Regulation of Head of BPN RI No. 5/2012 : Technical Guidelines on the Implementation of Land Acquisition e. MOHA Regulation No. 52/2014: Guidelines on the Recognition and Protection of MHA f. Ministerial Regulation of MOH No. P.62/2013: Establishment of Forest Area g. Regulation of the Minister of Land Agency and Spatial Development No. 9/2015: Procedures to Establish the Land Communal Rights on MHA Land and Community Living in Special Areas h. Law No. 18/2013: Prevention and Control of Deforestation (UUP3H). i. Regulation of Ministry of Forestry No. P.39/Menhut-II/2013: Empowerment of Local Communities through Forest Partnerships	ESS-7	WB OP 4.10 IFC PS 7

Trigger	National laws and regulations	PT SMI standards	International standard operating policies
Subproject may cause land acquisition and/or involuntary resettlement	j. Law No. 2 of 2012, Presidential Regulations No. 71 of 2012, No. 40 of 2014, No. 99 of 2014 and No. 30 of 2015	ESS-5	WB OP 4.12 IFC PS 5
Subproject is located on land with lack of clarity on ownership	-	-	WB OP 7.60
Subproject may cause agricultural diseases or directly involve use of pesticides	-	-	WB OP 4.09, WBG General EHS Guidelines and Industry Sector Guidelines (refer to Annex 1D and Annex 10)
All subprojects		ESS-2, ESS-3, ESS-10	IFC PS 1, PS 2, PS 3, PS 4 WBG General EHS Guidelines and Industry Sector Guidelines (refer to Annex 1D and Annex 10)
Sub-projects may cause significant impact on health, safety and security	-	ESS-4	IFC PS 4; WBG General EHS Guidelines and Industry Sector Guidelines

Trigger	National laws and regulations	PT SMI standards	International standard operating policies
			(refer to Annex 1D and Annex 10)

5.1.6 Project documentation

If the LGs have already prepared an AMDAL or UKL-UPL to obtain environmental permit under Indonesian law, it must be duly recorded in the checklist. A copy of the AMDAL or UKL-UPL should also be submitted along with the loan application package. PT SMI (ESSBCM Division) will review these documents (similar case if the LGs have already had LARAP and IPP) and identify gaps with the requirements specified in this ESMF. If there are gaps, PT SMI will require the LGs to either improve the submitted documents or to prepare a new impact mitigation instruments with ToRs provided by PT SMI.

5.2 Step 2- Screening

5.2.1 Verifying the ESSC

The application submitted by the LGs is to be verified by PT SMI based on the detailed subproject report or subproject concept note and the information provided by the LGs in the ESSC. It should be noted that if the subproject falls in the ESEL, the loan application should be rejected (see **Figure 1**).

For eligible subprojects, PT SMI (ESSBCM Division) may request additional information from the local government, to confirm the contents of the ESSC submitted. In the screening stage, PT SMI (ESSBCM Division) will review the filled-in ESSC and confirm the proposed subproject on the:

1. Inclusion/exclusion of the subproject from the environmental and social exclusion list (use Annex 1A)
2. Proximity of the project to environmentally sensitive areas (use Annex 1B), and potential social impact due to the subproject
3. Subproject categorization based on ESMF (use Annex 1C)
4. Applicable WB safeguards, environmental permits and PT SMI standards (use Annex 1D)

As mentioned in Chapter 1, there may be three types of subprojects seeking loan assistance from PT SMI under the RIDF business line (see **Table 10**).

Table 10: ESMF action based on project stage

No.	Project Stage	Action under ESMF
1	Subproject is at a conceptual stage: land sites/footprint and design alternatives are still being considered	The LGs will prepare and disclose all Environmental and Social Assessment documents/instruments (i.e. EIA, EMP, SIA, LARAP, IPP, etc.) prior to subproject appraisal. At this stage, it may be suggested that the LGs collaborate with the PDF

No.	Project Stage	Action under ESMF
		team to prepare the necessary documents. The LGs cannot proceed to subproject appraisal stage if the required Environmental and Social Assessment documents/instruments are not available or have not yet approved by PT SMI (ESSBCM Division) and the World Bank.
2	Subproject preparation completed: construction bids may have begun	PT SMI (ESSBCM Division) will review the E&S documents that are available, identify gaps within the requirements specified in the ESMF, and will ask the LGs to supplement them to improve the documents or develop new ones with ToRs provided by PT SMI. All required documents must be disclosed prior to subproject appraisal.
3	Subproject implementation has begun or even completed	PT SMI (ESSBCM Division) will carry out a due diligence to confirm that: (a) the subproject is in compliance with all applicable national environmental and social laws and regulations; (b) there are no reputational risks for PT SMI and the World Bank Group (WBG); and (c) there are no legacy issues or no pending legal disputes or liabilities. Based on the findings of such an assessment, PT SMI will require the LGs to implement remedial measures, as needed, or to mitigate potential reputational risks or to address legacy issues or liabilities.

5.2.1.1 Preliminary potential impact assessment and determination safeguards instruments

Identifying the impact mitigation instruments

Based on the results of the PT SMI's (ESSBCM Division) review on the ESSC, PT SMI (ESSBCM Division) will also identify the potential environmental and social impacts and risks of the proposed subproject (also refer to Section 4.1.3 and 4.1.4 and the potential generic environmental and social impacts of sectors/subsectors in Chapter 1) based on the available information available and provided by the LGs. Depending on the type of the proposed subproject and the potential environmental and social impacts and risks, PT SMI

(ESSBCM Division) will require the LGs to prepare 1) an over-arching EIA/EMP, along with separate instruments for 2) LARAP and 3) IPP, and/or 4) supplemental documents, remedial action plan or else, as applicable. PT SMI will also provide the applicant the ToRs for these instruments, which are developed in compliance with the requirements specified in this ESMF.

*Step 1: Identify the environment and social impact instruments using **Table 11**.*

Table 11: Matrix for identifying E&S instrument

Trigger	Safeguard instrument
Project is Category A	Environmental impact assessment
Project is Category B	Environmental management plan
Project is Category C	Statement of readiness

*Step 2: Assess whether a LARAP is required and identify the instrument applicable using **Table 12***

Table 12: Matrix for identifying applicable instrument for land acquisition and involuntary resettlement

Trigger	Safeguard instruments
When land acquisition for a subproject affects more than 200 people, takes more than 10% of household productive assets and/or involves physical relocation	A comprehensive LARAP
When land acquisition for a subproject affects less than 200 people, less than 10% of household productive assets are affected and/or does not involve physical relocation	An abbreviated LARAP
When a subproject lead to involuntary restriction of access to legally designated parks and protected areas resulting in adverse impacts on the livelihoods of the displaced persons	A Plan for Action as a result of Process Framework

Trigger	Safeguard instruments
The project requires neither land acquisition nor resettlement	N/A

Note: Refer to the LARPF in Chapter 5.

*Step 3: Assess whether a plan is required for IPs using **Table 13**.*

Table 13: Matrix for identifying applicable safeguards instrument for IPs

Trigger	Safeguard instrument
IPs may form a portion of the beneficiaries/persons affected	An IPP based on a Social Assessment
The subproject does not impact the IPs or the IPs is the sole beneficiaries of a subproject	N/A or IPs needs and concerns are incorporated in the subproject design

Note: refer to IPP Framework in Chapter 6.

Requiring the LGs to prepare safeguards instruments

The way to proceed with this step depends of whether or not the applicant has already prepared an E&S impact mitigation instruments, and the nature of mitigation required under the ESMF requirements as well as the quality of the mitigation instruments in reference to the requirements specified in the ESMF (see **Table 14**).

Table 14: Matrix for preliminary assessment of impact mitigation instrument

Application Type	Action to be taken
Accompanied with AMDAL/UKL-UPL/SPPL as per Indonesian Law or any other Environmental and Social Assessment document	A gap analysis is to be conducted considering: a. The contents of the applicable instrument and requirements as prescribed under the ESMF b. Policies and regulations referred to in the instrument as compared to those triggered by the subproject
No mitigation instrument have been prepared	A terms of reference should be provided by PT SMI to the applicant considering: a. The plan templates corresponding to the subproject

Application Type	Action to be taken
	b. The policies/laws/regulations triggered by the subproject The LGs may be advised to obtain assistance from the Project Development Facility (PDF) in preparing the instruments, capacity building and improving the subproject design

Upon receipt of the appropriate mitigation instruments, PT SMI (ESSBCM Division) should appraise these documents ensuring that the contents of the plan and the policies/laws/regulations triggered have been covered by the instruments in accordance with the requirements specified in this ESMF. An initial screening report is to be prepared by PT SMI (ESSBCM Division) to record the above activities. It should be noted that for all Category A projects, the ToR that has been prepared by PT SMI (ESSBCM Division) should be reviewed and approved by the World Bank prior to providing it to the LG.

5.3 Step 3 - Detailed subproject appraisal

The subproject appraisal, under the ESMF, is to be carried out with two objectives:

1. Assess the accuracy and reliability of the E&S impact mitigation instrument
2. Assess the E&S sustainability of the project considering the mitigation measures proposed through the mitigation instrument

The appraisal is to be conducted in two parts – a generic project appraisal, following by a detailed appraisal using sector-specific toolkits (see **Figure 1**).

5.3.1 Generic subproject appraisal

The extent, to which the subproject design, environmental and social plans and other documents help mitigate potential adverse impacts, arising from the subproject, if any, needs to be investigated by PT SMI (ESSBCM Division).

The appraisal of the subproject documentation to be carried out by PT SMI (ESSBCM Division) should consider the potential environmental and social issues (refer Annex 1) while answering the following questions,

- What is the nature and magnitude of the potential impacts?
- Are the environmental and social assessment and management measures provided adequate as per the requirements specified in the ESMF?

- Is there scope for enhancing the subproject, in relation to the environment and the society?
- Is the subproject proposal compliant with regulatory requirements and have the necessary clearances been obtained? (a guide on environmental and social regulations and responsible institutions is given in Annex 10)
- Is there integration of environmental and social impact mitigation measures in to the design wherever relevant? If not, provide details.
- Are there adequate arrangements for implementation of the environmental management plan, LARAP, IPP, remedial action plans, including institutional capacity and contractual provisions? If not, provide details.
- Have the management measures been factored in the project cost? If not, make such inclusions.
- Have the provisions of the mitigation measures recommended by environmental management plan and the LARAP, IPP, remedial action plans to be implemented during construction been included in the bid document? If so, please detail.
- Is there a need for a legal covenant to address any specific environmental and social risks including regulatory risks (this could be an input to the sanction letter)? If so, mention the relevant legal covenants.
- Review of environmental and social impact assessments and mitigation plans and their adequacy to the ESMF provisions and magnitude and nature of impacts.
- Has all environmental and social impact mitigation measures been consulted with the subproject affected persons? Has the IPP development consulted the affected IPs through a free, prior, informed consultation (leading to broad support)? Provide details
- Has public disclosure of subproject information and environmental and social mitigation documents been conducted and is there public consensus on the subproject and locations/ sites involved?
- What is the state of readiness of the subproject sites?

5.3.2 Sector specific appraisal

Questionnaires have been provided in Annex 8 for the following sectors:

1. Water supply and Sanitation
2. Environmental Infrastructure
3. Low-Income Housing and Slum Upgrading
4. Transportation, Productive, Logistic Infrastructure

5. Social Infrastructure

The question set corresponding to the sector should be identified and filled.

5.3.3 Consolidated subproject appraisal report

The 'overall subproject appraisal' and the 'sector-specific appraisal' should be consolidated and a detailed note should be prepared for the subproject appraisal. An outline of the appraisal report is provided in Annex 7. A financing committee included some of divisions (investment, legal, risk management) of PT SMI should review the detailed environment and social appraisal notes and decide on the subproject's environmental and social viability. If the financing committee finds the subproject to be environmentally and/or socially unviable, the loan application should be rejected. On the other hand, if the subproject is found to be environmentally and socially viable, then the proposal should be forwarded along with recommendations on the appropriate environmental and social covenants which should be included in the loan agreement.

The roles of the Bank were explicitly explained in Chapter 1. It should be consistent in all steps outlined in Chapter 4. In principle, as an FI, the Bank will not involve in deciding whether the subproject proposals are eligible for getting RIDF funding or not, however, in terms of safeguards, the Bank will review subprojects proposals as hands-on capacity building support for PT SMI, until PT SMI has sufficient capacity acceptable to the Bank in managing safeguards.

5.4 Step 4 - Loan sanction and disbursement

This stage is initiated after the financing committee gives its approval for the subproject. Subsequently, the negotiations are made with the LGs to put in place necessary safeguard measures in the form of loan covenants, conditions precedent and changes in the subproject configuration are finalized (see **Figure 1**).

5.4.1 Communication of loan covenants to the local government

The mitigation measures finalized through the subproject appraisal phase should be translated into contractual obligations in the form of loan covenants. Through these covenants, the environmental and social responsibilities of the LGs shall be linked to the loan disbursement. At the later stage, these covenants will be used as a basis for the local government to put the mitigation measures, as recommended by the safeguards instruments which need to be implemented during construction, in the bidding document for the contractors.

A list of mandatory environmental and social covenants, as a minimum requirement, has been provided in **Table 15**.

Table 15: Mandatory environmental and social clauses in covenants

The following clauses should be inserted into the construction contractor's agreement additionally among others:

a) The contractor shall implement all measures recommended in the environmental and social management plan

b) The contractor shall implement the special and general conditions stated in the environmental permits, forest clearance, and wildlife clearance applicable to construction phase of the project.

c) The contractor shall comply with all applicable regulations with regards to control of pollution

d) The contractor shall conduct six monthly environmental monitoring of ambient air quality, water quality and noise levels through approved agencies in consultation with PT SMI. These reports shall be submitted to PT SMI.

e) The contractor shall obtain consents for hot mix plant, wet mix plant, crushers, diesel generator sets and batching plant and submit to PT SMI.

f) Where the contractor obtains construction material from third party sources, a copy of the agreement/invoice from these third party agencies should be obtained by the Contractor and submitted to PT SMI.

g) The contractor shall obtain permits from respective regulatory/ local authority for use of water, borrow pits during construction and submit to PT SMI.

h) The contractor shall furnish to PT SMI and respective regulatory authorities immediate notice of any incident or accident relating to the project and likely to have a highly adverse effect on the environment.

i) The contractor will bear the cost of damage to any private or government property during construction caused due to negligence or inaction of good construction practices

The following clauses should be inserted into the engineering procurement and construction contract additionally among others, as applicable –

1. The EPC contractor shall implement all mitigation measures applicable during pre-construction and construction phase specified in the environmental management plan prepared for the project.
2. The EPC contractor shall implement all conditions specified in the environmental clearance certificate applicable during pre-construction and construction.
3. The EPC contractor shall provide amenities and follow health and safety standards for construction labour and staff at all times as per labour laws.
4. The EPC contractor shall obtain required environment, health & safety clearances/

permits/ approvals as required by regulatory authorities.

5. The EPC contractor shall implement all conditions stated in clearances/ permits/ approvals granted for the project by regulatory authorities.
6. The contractor shall not indulge in harmful or exploitative forms of forced labour or child labour.
7. The EPC contractor shall provide its labour and staff periodic training on environmental protection (housekeeping, preventing spills, wastage etc.) and occupational health & safety practices (use of PPE, harness, safe working practices etc.).
8. The EPC contractor shall designate person/s to attend to public grievances due to construction.
9. The EPC contractor shall prepare and implement an emergency preparedness and response plan for the project site under their control during construction. Line of authority should be established for decision making during emergencies and all staff and workers/supervisors should be trained as per their job description.

5.4.2 Pre-requisite to signing the agreement

If the LGs disagree to such covenants, the LAP shall stand cancelled and shall be returned to the LGs. On the other hand, if the LGs agree to the proposed loan covenants, a request should be made to the LGs to submit the readiness certificate and to comply with PT SMI norms specified in this ESMF for public disclosure. Details of both these requirements are provided below:

Readiness certificate

The readiness certificate must be issued by the mayor of the concerned LGs as the effective stipulation (loan disbursement stipulation). It should confirm the availability of sites, 'right of way' required for the project, payment of compensation for the land to the titleholders, rehabilitation and resettlement assistance to project-affected-persons, including those occur during construction; in the event of non- acceptance of the compensation or any other legal issue, the amount should be credited in the escrow account.

Public disclosure

The following documents should be disclosed in the offices of the LGs, besides in the websites of the LGs/relevant departments: (i) ESMF requirements (a procedural flowchart format to be included for easy understanding), (ii) the approved EIA/EMP, LARAP and IPP reports in English and in Bahasa Indonesia (iii) a non-technical summary in Bahasa Indonesia, (iv) environmental and social mitigation plan documents, (v) annual E & S Audits,

and (vi) LARAP and IPP implementation reports. LARAP and IPP shall also be disclosed in the public space closest to the subproject affected peoples.

Step 4.1: Verification of Compliance

Upon reception of the readiness certificate and a letter stating compliance with the public disclosure norms, the same should be verified. The readiness certificate should be scrutinized against proofs, whereas the public disclosure may be verified by visiting the LGs' website as well as the physical office.

Step 4.2 Issuance of invitation for loan agreement signing

Upon successful verification of the LGs' compliance, the LGs will be formally invited to sign the loan agreement with PT SMI.

5.5 Step 5 – Project implementation and monitoring

After the loan agreement has been signed, but prior to disbursement of the funds, compliance with the approved subproject configuration and other contractual agreements need to be verified.

5.5.1 First loan tranche

Request LG for necessary compliance

The LGs should be requested to submit proofs of meeting the following compliance requirements before the loan is disbursed for the first time to the LGs (such as advance payment). Loan will be channelled to APBD and the LGs will transfer the loan to the contractor/vendors.

Clearance for initial fund disbursement

Once the LGs submit proofs to show fulfilment of the compliance requirements and the same are satisfactorily verified, clearance may be issued for the initial fund disbursement to the LGs.

5.5.2 Subsequent loan tranches

Subsequent instalments should be disbursed by PT SMI based on verification of progress reports and field visits, the compliance reports and compliance with other loan-disbursement conditions.

Monitoring prior to hand-over of site to contractor

It should be communicated to the LGs that prior to hand-over of site to contractors, the following compliance must be met:

(i) Certification from the LGs along with necessary details from the relevant authorities such as the district administration indicating that the payment of land acquisition compensation and R&R assistance, along with replacement of affected community assets, has been completed

(ii) Certification from the LGs indicating that the sites are free of all encumbrance, and all approvals and clearances have been secured

(iii) Written commitment from the LGs in the case that measures activities that will have to be continued during construction and beyond as specified in the LARAP (such as livelihood restoration) and/or IPP will be implemented consistent as specified in the approved LARAP and/or IPP.

Clearance for subsequent disbursement of funds

Once the LGs submit the requisite certifications related prior hand-over of the site, and the same are satisfactorily verified, clearance may be issued for the fund disbursement to the local government.

5.6 Monitoring subproject for compliance with ESMF

The subproject shall be monitored across its life-cycle to ensure that all the safeguards agreed-upon are successfully implemented and complied with. Further fund disbursements shall be linked to continuous compliance by the LGs (see **Figure 1**).

Tier 1 Monitoring - environmental and social reports

PT SMI will monitor all subprojects (during planning, construction and operation and maintenance stages) that it finances to ensure conformity to standards. Monitoring of environmental and social components will be carried out through environmental and social implementation/compliance reports that form part of quarterly progress reports. The LGs are expected to make adequate internal arrangements to monitor the implementation of the environmental and social mitigation plan and submit regular progress reports including environmental and social implementation compliance reports to PT SMI (see **Table 16**).

Table 16: Subproject stage-wise documentation requirement

No.	Project stage	Project documents
1	Pre-construction	– AMDAL, UKL-UPL, Environmental Permit, LARAP, IPP – Implementation of activities specified in LARAP and IPP that need to be implemented prior to construction

No.	Project stage	Project documents
2	Construction	– EIA, Environmental Monitoring Efforts, Environmental Management Efforts – Environmental permit – EIA monitoring report – Ground water extraction – Temporary storage of hazardous waste permit – Surat pengesahan Panitia Pembina Keselamatan dan Kesehatan Kerja (P2K3) – Corporate policy regarding environmental and occupational health and safety – Work accident report – Emergency response preparedness document – Community complaint handling report – Worker health monitoring report – Worker policy

No.	Project stage	Project documents
3	Operation and maintenance	– EIA, environmental control efforts, environmental management efforts. – Environmental permit – EIA monitoring report – Implementation of LARAP that need to be implemented during construction – Implementation of IPP that need to be implemented during construction – Ground water extraction – Temporary storage of hazardous waste permit – Surat pengesahan panitia pembina kesehatan keselamatan kerja (P2K3) – Corporate policy regarding environmental, health, safety work – Work accident report – Emergency response document – Community complaint handling report – Worker health monitoring report – Worker policy Laporan Pengaduan Masyarakat – Program corporate social responsibility policy

Tier 2 Monitoring – Field visits

PT SMI will undertake periodic field visits to those projects that are under implementation and its findings should be shared with respective implementing agencies for their follow-up. Any non-compliance and corrective measures therein should be highlighted in these reports, and they should be followed up on a periodic basis.

Tier 3 Monitoring – Audit of ESMF compliance

PT SMI should carry out annual audits of its portfolio to review the status of ESMF compliance of the RIDF portfolio. The audit should focus on the process followed for categorization and approval of E&S reports, disclosures and related aspects. It should also be based on field visits to all environment and social A and B category projects to verify their implementation on the ground, and solicit feedback from affected peoples and other stakeholders. The audit should be done annually for activities completed until the previous financial year, with bi-annual reviews for environmentally and socially sensitive projects. The draft report should be shared with the donor agencies and the final audit report should be

released in PT SMI website. The interventions recommended in the audit findings should form the basis of appropriate revision of the ESMF document or suitable analytical studies to improve the environmental and social safeguards management in infrastructure development in Indonesia.

6. Land Acquisition and Resettlement Policy Framework (LARPF)

This framework applies for a subproject that involve involuntary resettlement (includes land acquisition and resettlement) implemented under the eminent domain principle. This framework covers direct economic and social impacts due to the subproject financed by PT SMI (through RIDF) and are caused by (a) the involuntary taking of land resulting in relocation of loss of shelter, loss of assets or access to assets, or loss of income sources or means of livelihood, whether or not the affected persons must move to another location; or, (b) the involuntary restriction of access to legally designated parks and protected areas resulting in adverse impacts on the livelihoods of the displaced persons. In case a subproject proposed by an applicant involves land acquisition and resettlement, it should be duly recorded in the ESSC submitted by the LGs to the SMI in the application package.

This framework relies on Government of Indonesia laws and regulations to the extent that they are in compliance with the World Bank OP 4.12 on Involuntary Resettlement and PT SMI's ESS 5 (see Chapter 2.1). Specific provisions are included in this framework to address any aspect of the OP 4.12 and PT SMI's ESS 5 that are not fully addresses in the Government of Indonesia laws and regulations.

6.1 Purpose of Land Acquisition and Resettlement Policy Framework (LARPF)

The purpose of this LARPF is to clarify the principles, procedures, organizational arrangements to be applied to the preparation of LARAP for the RIDF subprojects. LARPF provides guidance to PT SMI in the screening, categorization of subprojects, and define the appropriate type of LARAP to be prepared by the LGs for subprojects seeking RIDF financing, as well as to monitor and supervising the LGs in implementing the approved LARAP. The LARPF also provides guidance to the LGs on the requirements and procedures of preparing the LARAP and its content.

Applicable Indonesian laws and regulations, and main gaps with World Bank OP 4.12 on Involuntary Resettlement refers to **Table 3** in Chapter 2.2.

6.2 Application of LARPF

This LARPF applies for the following situation:

a. Impacts caused by a subproject resulting in involuntary land acquisition, relocation, loss of assets or loss of access to assets, loss of income sources or means of livelihood whether or not the PAPs (Subproject Affected Persons) must move to another location; resulting in the involuntary restriction of access to legally designated parks and protected areas that would result in adverse impacts on the livelihoods of the PAPs. Displacement

can be full or partial, permanent or temporary. Physical displacement is relocation arising from the loss of residential land or shelter, while economic displacement is loss of land, assets, access to assets, income sources, or means of livelihoods. Restrictions on land and resource use refer to involuntary restrictions on the use of resources on people who live around or within such areas.

b. Activities as listed in Table 1 and activities resulting in involuntary land acquisition and resettlement in linked activities, regardless of financing sources, that are (1) directly and significantly related to the RIDF subproject; (2) necessary to achieve the RIDF subproject objectives as set forth in the subproject documents and (3) carried out, or planned to be carried out, contemporaneously with the RIDF subproject. Linked subproject should be identified during the screening of the proposed subproject in the application package, so that the required instruments to be prepared by the LG, i.e. LARAP, will include the linked subprojects.

6.2.1 Principles and policies

The following principles and policies will be applied to land acquisition and resettlement to subprojects financed by PT SMI (also refers to PT SMI ESS 5 in Chapter 2.1):

Principle 1

Minimization of land acquisition and resettlement. Involuntary land acquisition and resettlement should be avoided, where feasible, or minimized, exploring all viable alternative subproject sites and designs.

Principle 2

Where it is not possible to avoid land acquisition and resettlement, activities of land acquisition and resettlement should be conceived and executed as sustainable development programs, providing sufficient investment resources to enable the PAPs to share the subproject benefits.

Principle 3

Assistance to the PAPs. If land acquisition and resettlement is unavoidable, persons displaced by a subproject should be supported in their efforts to gain access to adequate habitation. If the relocation affects their income sources and/or their livelihoods, displaced persons should be offered support for a transition period, based on a reasonable estimate of the time likely to be needed to restore their livelihood and standards of living.

Principle 4

The PAPs should be assisted in their efforts to improve their livelihoods and standards of living or at least to restore them, in real terms, to pre-land acquisition and resettlement levels or to levels prevailing prior to beginning of subproject implementation, whichever is higher.

Principle 5

The PAPs should be meaningfully consulted and should have opportunities to participate in planning and implementing the land acquisition and resettlement programs. Involuntary land acquisition and resettlement options and support shall be designed in consultation with the displaced persons. The consultations should involve a two-way transfer of information between the subproject owner and the displaced persons.

Principle 6

Legal resettlement sites. Occupants of state or government land who are displaced by a subproject should be provided with opportunities to resettle at locations that can be legally occupied

Principle 7

Public facilities and community infrastructure. In the case of group relocation, public facilities and community infrastructure affected by a subproject will be rebuilt at the resettlement sites if at new resettlement sites have not been provided similar public facilities and community infrastructure

6.2.2 Requirements of involuntary land acquisition and resettlement

a. Screen subproject components during the early stages to identify involuntary resettlement impacts and risks through inventory of losses/detailed measurement surveys and socioeconomic surveys. The survey results will be utilized as inputs for resettlement planning and gender analysis.

b. Hold meaningful consultations with all entitled parties including those living in the subproject areas, communities that will host the displaced persons, concerned non-governmental organizations and civil society organizations. Inform all PAPs about their entitlements. Consultations process and decision making on the options and schemes of compensation and resettlement should be tailored to the special needs of these groups.

c. Involve all PAPs in resettlement planning. Pay particular attention to the needs of vulnerable groups such as those below the poverty line, the landless, the elderly, women and children, and Indigenous Peoples, and those without legal title to land, and ensure their participation in consultations.

d. The LARAP shall contain strategies to restore the livelihoods of PAPs to at least pre-project level to include (i) land-based resettlement strategies where possible or cash compensation at full replacement costs for affected land when the loss of land does not undermine livelihoods; (ii) timely replacement of affected assets with assets of equal or higher value; (iii) compensation at full replacement cost for assets that cannot be restored; and (iv) provision of additional entitlement as legally possible such as through benefit sharing schemes where possible.

e. Compensate for the lost assets and provide assistance to the PAPs irrespective of their legal rights – the PAPs who have legal rights to land or are entitled for land and non-land

assets legally as well as PAPs who lost the land that they occupy and have neither legal rights nor recognizable claims to such land.

f. Disclose the LARAP, including documentations of consultations, in a timely manner, at places accessible to all levels of the affected community and in languages that can be understood by all community groups, including the indigenous people whose language may be different from the majority in the subproject areas.

g. Do not commence physical or economic displacement unless entitled parties are fully compensated and all other entitlements are provided.

h. Provide physically and economically displaced persons with the needed assistance, including: (i) in case of relocation, secured tenure to relocation land, better housing at resettlement sites with comparable access to employment and production opportunities, integration of resettled persons economically and socially with the host communities, and extension of subproject benefits to host communities; (ii) transitional support and development assistance such as land development, credit facilities, training or employment opportunities; and (iii) civic infrastructure and community services, as required.

i. PT SMI will not issue the notice to proceed for civil works unless the subproject implementing agency, through the land acquisition team, has satisfactorily completed the payment of compensation for affected assets/non-assets and additional cash assistance as per the entitlement matrix, and relocation of the PAPs, if any physical displacement is involved, in accordance with the approved LARAP. Income restoration measures must also be implemented, but not necessarily completed, as these may be ongoing activities.

j. Monitor and evaluate the resettlement process and its outcomes, its impact on the standards of living of the PAPs, and resettlement compliance. The reports should be disclosed in a timely manner and accessible to the PAPs.

k. For any unanticipated involuntary resettlement impact identified during subproject implementation or with other subprojects that may be identified later, compensation and other entitlements shall follow the policies set forth in this LARPF.

6.2.3 Scope and application of LARPF according to subproject types

Table 17 below presents the scope and application in the three subproject types according to level of preparedness, during the loan cycle process.

Table 17: Scope and application of subproject type according to preparedness level

Subproject type	Pre-Screening	Assessment /review- quality of available instruments and type of instruments needed	Appraisal	Negotiation	Subproject Implementation
Type 1 – Subprojects in the early stages of preparation	– Subproject involve involuntary land acquisition and resettlement : o Subproject has LARAP or o Subproject does not have LARAP – Subproject causes access restriction o Subproject has a Plan of Action or o Subproject does not have a Plan for				

	Action				
Type 2 – Subprojects that have been fully prepared (where construction bids have been invited).					
Type 3 – Subprojects with facilities that have already been constructed or the projects which is under construction.					

Instruments

Based on the identified possible projects it is likely that many projects in the PT SMI pipeline will require land acquisition, and thus, may require resettlement instruments including LARAP (see **Table 18**). Impact areas will only be known after the project is identified and submitted to the PT SMI by the LGs.

PT SMI will screen individual subprojects based on the site visits and project sitting, definition of project area for involuntary land acquisition/use and any unavoidable structure demolition, crop/asset destruction, livelihood displacement, restriction of access to natural resources that may be caused by the project construction following appropriate alternative analysis in the EA phase.

The LGs will prepare a full/abbreviated LARAP, if there is involuntary land acquisition and resettlement, but the project is not yet implemented. If the full/abbreviated LARAP has gap with the requirements specified in LARPF, the LGs need to provide a revision of LARAP or supplement to LARAP.

In the case that the LGs have implemented activities involving land acquisition prior to project appraisal (due diligence), or are incompliance on the implementation of the approved LARAP, they will have to prepare a Tracer Study and Corrective Action Plans for the incompliance. The Tracer Study and the Correction Action Plan will have to be approved by PT SMI.

Table 18: Resettlement instruments

No.	Conditions	Resettlement Instruments
1	If there is involuntary land acquisition and resettlement, but not yet implemented	Full/abbreviated LARAP
2	If the full/abbreviated LARAP has gap with the requirements specified in LARPF	Revision of LARAP or supplement to LARAP
3	If the subproject leads to Access Restriction	A plan of action
4	If involuntary land acquisition and resettlement has been completed or partially completed	Tracer Study
5	if there is gap with the requirements in LARPF	Corrective Action Plan

6.2.4 Likely PAPs category, entitlement, eligibility and cut-off dates

Entitled parties/PAPs are those who stand to lose, as a consequence of the subproject, all or part of their physical and non-physical assets, including houses, productive lands, resource

such as forests, range lands, fishing areas, or important cultural sites, commercial properties, tenure, income-earning opportunities, social and cultural networks and activities. Such impacts may be permanent or temporary.

Entitled parties/PAPs identified within the subproject areas that are eligible for compensation, in the form of cash, replacement land, replacement house, or resettlement, and other assistance can be described as (i) persons with formal legal rights to land they may lose in its entirety or in part, such as land rights holders, managing rights holders, and land tenure holders; (ii) persons who may lose the land they occupy or utilize in its entirety or in part, who have no formal legal rights to such land or resources, but have claims to such lands or resources such as customary claims, that are recognized or recognizable under national laws, i.e., *nadzi* for *waqaf* land, customary rights secured by landowners, IPs/customary communities, and parties occupying state land in good faith; and (iii) persons who may lose the land they occupy or utilize in its entirety or in part, who have neither formal legal rights nor recognized or recognizable claims to such land or resources, such as owners of buildings, plants or other objects related to land.

The cut-off date for project entitlements refers to the date when the land acquisition team led by the land agency, posts the results of the detailed measurement survey, which include the list of entitled parties/PAPs and the losses in public places (e.g., village office, district office, and location of the land). Persons who occupy the area after this date will not be entitled to any compensation.

6.2.5 Land valuation and entitlement matrix

As required by Law 2/2012 and its implementing regulations, values of affected assets will be assessed by licensed appraisers which will be assigned by the provincial BPN in accordance with the national procurement regulations. The values defined by the licensed appraiser will be used as a basis for negotiation with the PAPs. Types and compensation level will be defined based on the results of the negotiation between the LG (or agency that need the land) and the land or property owners. Value assessment will be carried out on per affected land plot basis which include land, space above and beneath the land, buildings or structures, plants, and other things that relate to the affected land and/or other loss that can be valued (e.g. non-physical loss that can be equivalent with monetary value; loss of jobs or income earning sources, costs for moving, cost for change of profession, and value for remaining property). The remaining property that is no longer physically or, economically feasible, can be also compensated if the owners prefer to do so.

Land valuation/appraisal by the licensed appraisers will be carried out based on the MAPPI[1] Standards as specified in the MAPPI Guidelines. Compensation comprises of market price plus transaction costs and other costs plus premium, in more details as follows:

a. Real property (Physical assets): land, buildings and facilities, plants, and other things related to the land acquired to replace them with a property of at least the same quality as that owned prior to the land acquisition;

b. Cost and loss (non-physical losses): Transaction costs, moving costs, loss of ongoing business (business interruption), other losses of special nature which are subjective and difficult to calculate;

c. Premium.

An overview of the entitlement for the PAPs is presented in a matrix in **Table 19** below.

Table 19: Entitlement Matrix for the PAPs

No	Impact/ Loss Category	Entitled Person	Project entitlement	Remark
A.	**LAND LOSS**			
1	Loss of land, including agricultural and residential land	Those who have formal legal rights (certificate) or those whose claim over the land is recognized as a full title including persons occupying the state land in good faith.	▪ Cash compensation at replacement cost and reflective of fair market value at the time of payment of compensation; or land replacement with at least similar attributes to the acquired land in term of value, productivity, location, and titling. ▪ Financial assistance for the renewal of land ownership documents (certificate and land documents recognized as full title) for the residual area of the entitled	Applicable for Land Acquisition[2] Valuation of compensation conducted by a licensed independent property appraiser, and negotiation will be carried out by the Land Acquisition Implementing Team

[1] Indonesian Society of Appraisers or ISA

[2] *Land acquisition refers to land acquisition activities by way of giving equitable and fair compensation for losses to the entitled parties who controls or possess the land acquisition objects. Included within this scope is the land acquisition on the river banks / riparian area legally owned by another party. See Law No. 2/2012, Article 1.*

No	Impact/ Loss Category	Entitled Person	Project entitlement	Remark
			persons' land ▪ If the remaining affected land is no longer viable for specific use and utilization, the entitled party can ask for compensation for their entire land at replacement cost (UU No. 2 year2012 Pasal 35)	
2	Loss of Ulayat land/customary land	Customary communities (*masyarakathuku madat*[3]*)*	▪ Land replacement will be provided with similar value or higher (in terms of value, productivity, location, and titling)	The presence of indigenous peoples will be based on the results of the study, local government regulations, or the map on indigenous peoples.
3	Government /state enterprise land	National, Provincial or local government	▪ Cash Compensation at replacement cost; or ▪ Land replacement with similar value or higher (in terms of value, productivity, location, and titling)	Compensation will be provided for: i) Land owned/controlled by government with building used actively for governance; ii) land is owned/controlled by national and local state owned enterprises;

[3] *Customary or indigenous community is a community that is characterized by; i) the existence of group of people who are still bound by customary legal order as a whole community of an alliance with a particular customary law, who recognizes and implements the tradition in their daily life; ii) the existence of certain customary lands, which are the environment of the customary community and the area where they take their daily needs; and iii) the existence of common law regarding the maintenance of order, dominance, and applicable customary land use adhered by the members of the community. PP No. 71/2012, Article 22.*

No	Impact/ Loss Category	Entitled Person	Project entitlement	Remark
				iii) village land BPN transfers the acquired land owned by government / provincial government / regional government / village owned enterprise, to the agency requiring land within 60 working days after the district/ mayor issued location confirmation
4	Loss of Agricultural Land For Food Security	Ministry of Agriculture	Replacement of agricultural land For irrigated lands, the area of replacement land should be at least three times the area of affected irrigated land where the replacement land is non-irrigated; For developed tidal and non-tidal land or reclaimed swamp land the area of the replacement land should be at least twice the area of affected land where the replacement land is a raw land. For non-irrigated land, the	Land acquisition procedure will follow Law No. 12/2012 and the provisions of agricultural land replacement will follow Law No. 41/2009[4]

[4] Provisions of the land acquisition in agricultural land for sustainable food security: i) at least three times the land area for converted irrigated land one time for not irrigated converted land. ii) At least twice the land area in case of a converted tidal and non-tidal reclaimed swampland iii) at least one times the land area in a not irrigated converted land. See Law No. 41/ 2009.

No	Impact/ Loss Category	Entitled Person	Project entitlement	Remark
			area of replacement land should be equal to the land area of non- irrigated converted land.	
5	Loss of Forest Land	Ministry of Forestry / Forestry Agency	Forestry land: compensation[5] will be guided under the law and regulations related to land use permit issued by Ministry of Forestry.	Land acquisition procedure will follow the Law No. 12/2012 and consider relevant regulations on forestry.
B. LOSS OF CROPS AND TREES				
1.	Loss of Crops and Trees:	Owners, regardless of land tenure status (with certificate or recognizable rights, informal dwellers, occupants).	▪ Annual crops: cash compensation will be paid based on prevailing market rates. ▪ Perennial crops: compensation at replacement cost taking into account their productivity and age ▪ Timbers/trees: compensation at current market rate based on age, type of trees and diameter of trunk at breast height	Valuation of non-commercial crops will adopt market approach with standard reference prices issued by the local government. Valuation of non-productive plants will use cost approach; 30 to 60 days advance notice will be issued to owners before land clearing.
C. LOSS OF STRUCTURE				

[5] *Compensation for forestland include: i) Payment for forestry boundaries; ii) payment for affected timbers; iii) Commitment for reclamation and forestation; iv) Investment cost; v) land replacement or PNBP. Provisions on land acquisition in the agricultural land for sustainable food protection: i) at least three times the land area in terms of converted irrigated land (productive land); ii) at least two times the land area in terms of reclamation of land converted to tidal marsh and also which is not depending on tide; iii) at least once in terms of land area if converted land is not irrigated.*

No	Impact/ Loss Category	Entitled Person	Project entitlement	Remark
1	Loss of main structures (houses, offices, independent shops) and secondary structures (fences, driveways, extended eaves, sheds, etc.)	Owners of the affected structure, regardless of tenure	▪ Compensation at full replacement cost that reflects prevailing market prices of materials and cost of labour for dismantling, transferring and rebuilding at the time of compensation payment. No depreciation should be applied **or**; ▪ Option of Relocation with comparable access to employment and production. ▪ For partially affected structures, the cost of repairing the residual unaffected portion of the structure in addition to the compensation at replacement cost for the affected portion of the same	Applicable for Land Acquisition and Clearing Valuation is determined by an independent appraiser Depreciation applies only for the physical condition of structures/ buildings. There is no depreciation for age of the building. Depreciation deduction for structures affected, will be given back to the rightful parties through the emotional compensation (solatium). 6 months advance notice is given to the entitled party prior to the date on which they must demolish their entirely affected houses or shops. If more than 50% of the main structure is affected, the entire structure will be replaced at full replacement cost.

No	Impact/ Loss Category	Entitled Person	Project entitlement	Remark
				If less than 50% of the main structure is affected, but would endanger the stability of the residual area of the main structure, that is, structurally unstable, then the project will compensate at full replacement cost of equivalent structures. In case of delay in the construction of relocation sites, cash assistance equivalent to temporary house rental rates prevailing in the locality should be provided to affected households (AHs) until the completion of resettlement in a new place. The AH may opt to find a place to rent or may seek the assistance of the IA. 3 months - 1 year advance notice, before the date on

No	Impact/ Loss Category	Entitled Person	Project entitlement	Remark
				which the owner of affected structure must move
		Relocated persons regardless of land tenure	Cash allowance for moving/transport to carry AHs belongings to a new place.	3 months - 1 year advance notice, before the date on which the affected AHs must move The determination of the required amount for the provision of transportation assistance will be incorporated into the TOR of Independent Agency that will conduct valuation of affected assets
		Tenant house /	▪ Cash assistance equivalent	3 months prior

No	Impact/ Loss Category	Entitled Person	Project entitlement	Remark
		shop regardless of tenure	of 6 months rental cost based on the prevailing rental fee in the locality	notice before the date on which the affected tenants must move.
2	Infrastructure and public facilities / objects attached to land	Government or State Enterprises / communal property and assets (e.g. schools, mosques, village office power poles, etc.)	▪ Rebuilding the facility or provide cash compensation based on the agreement with the affected parties	Valuation of affected assets will be performed by an independent appraiser
3	Temporary or permanent impacts due to construction activities	For those who have formal legal rights (certificate) or those whose claim on land is recognized as a full right	▪ For lease payments of the affected land by the contractor based on the applicable rental fees and agreements with landowners. ▪ For temporary impact on productive land, the AH may choose: ▪ (1) costs of the rental valued to be not less than the net income that will be generated from affected land; or (2) provision of free water connection to the household. ▪ Compensation for non-land assets acquired (trees / plants, structure) permanently affected will be compensated at replacement cost ▪ Land will be restored to	30-60 days prior notice given to the owner of the land before it is used temporarily by contractors. This provision should be stipulated in the contract / agreement with civil works contractors

No	Impact/ Loss Category	Entitled Person	Project entitlement	Remark
			pre-project conditions or even better after the construction is completed	
		Those who do not have legal rights and entitlements that can be recognized as full ownership	There is no land rental costs during the period of impact Land will be restored as it was before the project, or even better.	
D. Other Appraisable Loss				
1.	Loss of income, venture and job	Business owner and employees regardless of tenure	**The loss of a permanent business (restaurant, barber) or a termination due to closure of business premises:** Replace the loss in cash based on the loss of business investment (capital, other production mode) including loss of revenue of at least 6 months	**Applicable for Land Acquisition and Land Clearing:**
			Temporary Loss of business: Compensations in cash based on the loss of expected revenue that can be generated through continued use of affected assets	Cost for the relocation of Informal Settlers as a result of land acquisition will be derive from Government Social Programs.
			Permanent job loss: Damages in cash equivalent to the amount of lost job income multiplied at least by 6 months, or **Change of profession**: Cash compensation based on the costs required to change the	The compensation for loss jobs will be based on the Payment slip to be provided by PAP. In case where PAPs cannot present payment

No	Impact/ Loss Category	Entitled Person	Project entitlement	Remark
			profession at par with previous professions based on an assessment by a licensed appraiser	slip, then compensation for lost job will be based on the prevailing minimum wage. For land clearance, compensation can be derive from social programs
			Temporary loss jobs: Compensation equivalent to the income lost during the disruption.	The compensation for temporary lost jobs will be based on the Payment slip to be provided by PAP. In case where PAPs cannot present payment slip, then compensation for lost job will be based on the prevailing minimum wage. For land clearance, compensation can be covered from social programs
2	Loss of the resource base (high risk of impoverish ment)	Entitled parties who've lost 10% or more of total assets or earning revenue sources; Entitled Party,	Allowed to participate in Income restoration program (IRP), where priority shall be for Project related employment, wherever the beneficiary qualifies.	**Applicable for land acquisition and clearing** IRP includes agricultural support, provision

No	Impact/ Loss Category	Entitled Person	Project entitlement	Remark
		poor and vulnerable[6], regardless of the severity of the impact		of training, job placement, additional financial grants and micro loans for equipment and buildings, as well as organizational support / logistics to establish alternative income generating activities for affected populations IRP could be integrated with local government social programs where the project is located

6.2.6 Screening and defining instruments

Please put according to subproject type

Who will screen

Determination of appropriate instruments

If not under eminent domain, then what are the requirements

Land for PT SMI project can be acquired with government assistance and through procedures defined by Indonesian Regulations, if two conditions are met: (1) the project is considered to be in the public interest and (2) the area to be acquired is larger than one hectare. The following subprojects are considered in the public interest or activities that might need land acquisition, (i) construction of landfill, (ii) dams and (iii) public housing.

[6] *These are distinct groups of people who might suffer more or face the risk of being further marginalized due to the project and specifically include: i) households that are headed by women, ii) household heads with disabilities, and iii) elderly household heads*

PT SMI will screen the applicability of this safeguard instrument, and it is established during the Social and Environmental Assessment process (see **Table 20**).

Table 20: Matrix for identifying resettlement instrument

Trigger	Safeguard Instrument
When land acquisition for the project affects more than 200 people, takes more than 10% of household productive assets and/or involves physical relocation	Comprehensive/Full LARAP
When land acquisition for the project affects less than 200 people, takes less than 10% of household productive assets and/or does not involve physical relocation	An abbreviated LARAP
The subproject neither requires land acquisition nor resettlement	N/A

6.3 Preparation, review, approval and disclosure of LARAP

Following disclosure of all relevant information, the LGs will consult with and facilitate the informed participation of affected persons and communities, including host communities, this process should be conducted as part of the stakeholder engagement as described in ESS 1. In relation to the resettlement and livelihood restoration processes, the LGs will apply a decision-making process that includes options and alternatives, where applicable. Project disclosure will continue during the implementation, monitoring, and evaluation of compensation payment, livelihood restoration activities and resettlement to achieve outcomes that are consistent with the objectives of this ESMF.

The LGs will disclose information about the subproject and land acquisition process to the PAPs and the village leader and explain the proposal, potential impacts and legal rights of the PAPs under this framework.

The PAPs should be provided with opportunities to participate in planning and implementation of any activity that will affect them - adversely or positively. All PAPs should be informed of the potential impacts and proposed mitigation measures, including compensation/assistance schemes.

(Please refer to section 5.5 about Disclosure).

6.4 Organizational Arrangements

Institutions and land acquisition process

As specified in Law No.2/2012 and its implementation rules, there are some important institutions which have authority in the process of land acquisition and resettlement, which are:

- **District/ City Government**

  The District/Citygovernment as the agency requiring land prepare the land acquisition planning documents, conduct the land acquisition process which includes; i) notice of the development plan; ii) initial location identification of the development plan; and iii) public consultation on development plan; iv) announcement of the location determination for project development by the Regent/Mayor. If there are objections, the governor/ regent / mayor also will establish a special team to assess team.

- **National Land Agency / Office of Land**

  Land Agency BPN establishes a land acquisition team and implements land acquisition with primary activities including: i) inventory and identification of control, ownership, use, and land use; ii) compensation assessment to be performed by an independent appraiser or government appraisers; ii) deliberations of compensation determination; iv) delivery of compensation; and v) delivery of the acquired land to the agency requiring land. Upon delivery of the acquired land to institutions requiring land, the civil works/ construction can commence. Land acquisition located in a district/ city, the land acquisition implementation can be assigned to the land office at district/ city level.

- **Roles of the Bank**

  See chapter 1

6.5 Grievance Redress Mechanisms

Process, procedures, requirements as well as time for complaints to be solved during the land acquisition process will follow the Law 2/2012 and its implementing regulations (including amendments). In addition, the LGs have to use the existing complaint handling system, if any, or establish a new one to receive and respond to complaints. In principle, objection to any aspect of the subproject and land acquisition will be addressed through consultations to reach an agreement and settlement, and sought to be resolved as much as possible at sub-projects level. Relevant institutions, such as the district/city, sub districts and villages governments will be involved in addressing the complaints. When the grievance cannot be addressed, it will be resolved through litigation procedures as set forth in Law No. 2/2012 and Presidential regulation No.71/2012. There is no fee charged to the complainant. Grievance acceptance and the follow-up mechanism will ensure cultural and gender sensitivities of the entitled parties. Complaints should be recorded and documented and included in the quarterly implementation progress report prepared by the LGs and submitted to PT SMI.

6.6 Public Consultations and Disclosures

The LGs will disclose information about the subproject and land acquisition process to the PAPs and the village leader and explain the proposal, potential impacts and legal rights of the PAPs under this framework.

The PAPs should be provided with opportunities to participate in planning and implementation of any activity that will affect them - adversely or positively. All PAPs should be informed of the potential impacts and proposed mitigation measures, including compensation/assistance schemes.

The LGs will ensure that women will be involved in the consultation process. In case of under-representation or where needed, separate meetings with marginalized households, including women, will be organized to discuss their specific concerns. Consultations will be undertaken at venues and times that are suitable for women and will not disadvantage them. Where it is inconvenient for women to attend meetings, these women will be consulted by visiting their homes.

If a LARAP is required, a brochure or project information booklet containing relevant information such as the entitlement matrix, grievance procedures, and time frame of payments will be prepared and distributed to the entitled parties at each subproject site involving physical and other losses related to livelihood, etc. The LARAP will be made available in English and Bahasa Indonesia. Notices about meetings and other subproject activities/updates will be made accessible at public locations, such as the village or sub-districts office. Village leaders and entitled households will be provided with a summary LARAP or brochure prepared in Bahasa Indonesia. The document will also be published on the LG and PT SMI's websites.

Please refer to previous sections on disclosures

6.7 Financing LARAP preparation and implementation

The LG will have to finance the preparation and implementation of LARAP as part of the subproject costs. If any activities identified in the LARAP have to be implemented by the contractor during construction, as relevant, the cost for such activities will have to be included in the construction package. List of such activities should be specified in the bidding document.

If the LG is eligible for PDF assistance, the costs for preparing a LARAP may be provided by the PDF facility. Otherwise, LG has to cover the costs for LARAP preparation and implementation by its own APBD. Cost to implement LARAP will at least cover: compensation, assistance, livelihood restoration, development of relocation site, administration and management, etc. as relevant. LG can borrow from PT SMI for LARAP implementation as part of the borrowing package for infrastructure, except for purchasing land and other assets affected by the subproject.

6.8 Monitoring and Reporting

The LGs will prepare a Quarterly Progress Report which includes the implementation progress of the approved LARAP. This report will include all records and documentation of land acquisition and resettlement activities as specified in the LARAP. In addition, the report will highlight the outstanding issues of the LARAP implementation, the reasons and the corrective measures that will be taken to address the outstanding issues. PT SMI will monitor the LGs in implementing all activities specified in the approved LARAP, based on the Quarterly Progress Report submitted by the LGs. Monitoring indicators address the specific contents of the LARAP activities and entitlements with key parameters as follows:

a. Payment of compensation

b. Completion of land acquisition activities for any component should be completed prior to issue notice to proceed for civil works

c. Entitlements of subproject benefit

d. Public consultation and awareness of compensation policy

e. Entitled parties should be monitored regarding restoration of productive activities

f. Level of satisfaction of entitled parties with the implementation of activities specified in the LARAP. The operation for grievance redress mechanism, and the speed of grievance redress, type and intensity of complaints and follow-up will be monitored

g. Throughout the implementation process, the trends of living standards will be observed and checked. Any potential problems should be reported and resolved.

PT SMI will review the monitoring results based on the above in reference to the loan covenants, and discuss with the LG if a sanction for incompliance will be activated. PT SMI and the LGs should agree on how to proceed with the subproject financing after compliance to the loan covenant is in place.

6.9 Other potential schemes of land acquisition

This chapter provides guidance for cases where the eminent domain is not enforced and land is to be acquired either through donation from the land-owner or mutual negotiation (willing-buyer willing-seller) between the land owners and the LG. This guidance specifies the requirements which aim to ensure that the land-owners are not exploited under the premise of voluntary land donation and land owners have the rights to refuse donate their land or to sell their land in the case of a willing-buyer willing-seller and the government will not use its eminent domain power to get the land. Voluntary land donation and willing-buyer willing-seller activities have to be recorded and well documented by the LG and these will be part of the application package for subproject appraisal.

6.9.1 Voluntary land donation

Prerequisite requirements for voluntary land donation are:

a. Voluntary land donation will be accepted if the following indicators are met:

b. The infrastructure, to be set up on the donated land, must not be site specific

c. The impact of voluntary donations are marginal (land donated not more than 10% of the total land assets owned by household owner);

d. Impacts do not result in displacement of households or cause loss of household's incomes and livelihood;

e. Households making voluntary donations are direct beneficiaries of the project;

f. Donated land is free from any dispute on ownership or any other encumbrances;

g. Consultations with entitled parties is conducted in transparent manner with no coercion;

h. Land transactions are supported by transfer of titles;

i. Proper documentation of consultation meetings, grievances and actions taken to address such grievances is well documented

j. Voluntary land donation will be accepted if the following indicators are met:

k. The infrastructure, to be set up on the donated land, must not be site specific

l. The impact of voluntary donations are marginal (land donated not more than 10% of the total land assets owned by household owner);

m. Impacts do not result in displacement of households or cause loss of household's incomes and livelihood;

n. Households making voluntary donations are direct beneficiaries of the project;

o. Donated land is free from any dispute on ownership or any other encumbrances;

p. Consultations with entitled parties is conducted in transparent manner with no coercion;

q. Land transactions are supported by transfer of titles;

r. Proper documentation of consultation meetings, grievances and actions taken to address such grievances is well documented

6.9.2 Willing-buyer willing-seller scheme

As per the provision under the Presidential Regulation No. 40/ 2014, acquisition of land less than 5 hectare will be undertaken through transaction, exchange, or other means acceptable by land owners and parties that need the land (in this case the LGs). The LGs will apply the following principles in undertaking land acquisition through willing-buyer willing-seller scheme:

a. Compensation is paid at replacement value which takes into account the prevalent market prices as determined by a licenced appraiser(s). No administrative cost will be deducted and tax obligations will be covered by the negotiated transaction;

b. All negotiations with the landowners and users, if any, will be carried out in an accessible location, in an open and consultative manner without any coercion and with sufficient time for consideration of offers;

c. The documents pertaining to the land acquisition such as map, land registries, sales written records, consultation records, decision records, law and policies for the negotiations and development plans are to be disclosed to the entitled parties involved in the negotiated land acquisition or settlement;

d. Adequate and fair price for land and/or other assets will be offered. If negotiations fail, an alternative way will be sought and the process begins again, which will follow the Law 2/2012 requirements;

e. The negotiated amount will be paid immediately to landowners after all necessary documents required for the land acquisition processes have been completed by land owners;

f. Negotiation and other consultation proceedings will be documented and the land sale and purchase agreement will be signed by the negotiating parties in the presence of a land deed official (notary);

g. Grievance mechanism will be established by the LG (or using the existing one) to receive and facilitate resolution of the entitled parties concerns; and

h. PT SMI will not award a civil works contract until (a) payment has been fully provided to the entitled parties and rehabilitation measures if any; (b) already-compensated entitled parties have cleared the area in a timely manner; and (c) the area is free from any encumbrances.

7. Indigenous Peoples Planning Framework (IPPF)

7.1 Objective and Indigenous Peoples

The main objective of this IPPF is to help ensure that subprojects are designed and implemented in a way that fosters full respect for IPs' identity, dignity, human rights, livelihood systems, and cultural uniqueness as defined by the IPs themselves to enable them to (i) receive culturally appropriate social and economic benefits; (ii) do not suffer adverse impacts as a result of the project; and (iii) can participate actively in the project. This IPPF safeguards the rights of IPs to participate and equitably receive culturally appropriate benefits from the subproject. An IPP will be prepared if a project affect (positive or adversely) IPs communities.

There is no universally accepted definition of IPs. IPs may refer to in different countries by such terms as "Indigenous ethnic minorities", "aboriginals", "hill tribes", "minority nationalities", "scheduled tribes", or "tribal groups". In this Principle, the term "Indigenous Peoples" is used in a generic sense to refer to a distinct social and cultural group possessing the following characteristics in varying degrees:

a. self-identification as members of a distinct indigenous cultural group and recognition of this identity by others;

b. collective attachment to geographically distinct habitats or ancestral territories in the project area and to the natural resources in these habitats and territories;

c. customary cultural, economic, social, or political institutions that are separate from those of the dominant society and culture;

d. an indigenous language, often different from the official language of the country or region.

The term "Indigenous Peoples" is often associated with "*Masyarakat Hukum Adat"* (or *MHA*--Customary Law Communities) which is a common terminology used in Indonesian Laws and Regulations to describe groups of people with similar characteristics as those of IPs specified above. Ascertaining whether a particular group is considered as Indigenous Peoples for the purpose of this Principle may require technical judgement.

7.2 General requirements

7.2.1 Avoidance of adverse impacts

The LGs will identify through a process of social and environmental assessment all communities of Indigenous Peoples who may be affected by the project within the subproject's area of influence, as well as the nature and degree of the expected social, cultural (including cultural heritage), and environmental impacts on them, and avoid adverse impacts wherever feasible.

When avoidance is not feasible, the client will minimize, mitigate or compensate for these impacts in a culturally appropriate manner. The LGs' proposed action will be developed with the informed participation of affected IPs and contained in a time-bound plan, such as an IPP, or a broader community development plan.

7.2.2 Information disclosure, consultation and informed participation

The LGs will establish an ongoing relationship with the affected communities of IPs from as early as possible in the subproject planning and throughout the life of the subproject. In subprojects with adverse impacts on affected communities of IPs, the consultation process will ensure their free, prior, and informed consultation and facilitate their informed participation on matters that affect them directly, such as proposed mitigation measures, the sharing of development benefits and opportunities, and implementation issues. The process of community engagement will be culturally appropriate and commensurate with the risks and potential impacts to the IPs. In particular, the process will include the following steps:

- Involve IPs' representative bodies (for example, councils of elders or village councils, among others)
- Be inclusive of both women and men and of various age groups in a culturally appropriate manner
- Provide sufficient time for Indigenous Peoples' collective decision-making processes
- Facilitate the Indigenous Peoples' expression of their views, concerns, and proposals in the language of their choice, without external manipulation, interference, or coercion, and without intimidation
- Ensure that the grievance mechanism established for the project, is culturally appropriate and accessible for IPs.

PT SMI (ESSBCM Division of the Risk Management Directorate) will ensure that the client makes the IPP available to the affected IP communities in an appropriate form, manner, and language prior to subproject appraisal as specified in the POM.

7.3 Screening and identification of IPs presence

Once the application package (including the ESSC) from the clients is received, PT SMI carries out a screening to determine whether IPs or *MHA* are present in, or have collective attachment to, the subproject area. Initial screening will be done by using the EGiMap tools (details in the POM), and by seeking technical judgement of qualified social scientists with expertise on the social and cultural groups in the subproject area. PT SMI also consults with the IPs communities concerned and the LG. Further confirmation and verification of the IPs or MHA presence will be done once the subproject footprint and area of influence are defined, by visiting the area, gather information from the village, sub-district, and LG, NGOs and universities who have worked with or have the interest in protecting IPs communities.

7.4 Social assessment (SA)

The presence of IPs communities in the subproject sites requires the LG to conduct a social assessment to evaluate the subproject's potential positive and adverse effects on the IPs, and to examine subproject alternatives where adverse effects may be significant. A social

assessment is required and this commences with a review of the legal and institutional framework that defines IPs involvement within the subproject context. The assessment shall generate the necessary baseline information on the demographic, social, cultural, and political characteristics of the affected IP communities as well as the land and territories that they have traditionally owned or customarily used or occupied and the natural resources on which they depend. The social assessment shall utilize Participatory Rural Appraisal tools such as Participatory mapping, historical trends, oral testimonies, etc. with a free, prior, informed consultations for stakeholder identification and analysis to craft culturally appropriate and gender-sensitive processes for meaningful consultation with IP communities at each stage of subproject preparation and implementation. Methods for data collection shall observe culturally appropriate norms.

Potential adverse and positive effects of the subproject shall be identified through free, prior, informed consultation with the affected IP communities. In assessing these impacts, the IPs will be engaged in a Participatory Mapping activity through a free, prior, informed consultation to identify subproject location and potential impacts. The results of the activity will be presented in a plenary where participants can openly express his opinions on the pros and cons of the subject matter and generate consensus on possible mitigating measures that must be adopted by the subproject. Gender-sensitive analysis of IPs vulnerability and risks brought about by the subproject in comparison to other groups (IPs and non-IPs) will be made a key focus of the assessment. This entails the involvement of wives, unmarried women and children in identifying potential risks and benefits associated with the project. In some IP communities, this sector is often marginalized and their roles are limited to household chores. In effect, the assessment shall in the end identify and recommend the necessary measures to avoid adverse effects and enhancement or maximization of positive impacts. If avoidance is not possible, mitigation activities or alternatives will have to be mutually developed with IP communities through meaningful free, prior, informed consultation, to ensure that the IPs receive culturally appropriate benefits under the project. Suggested outline of Social Assessment is presented in Annex 6.

When avoidance is not feasible, the LGs will minimize, mitigate or compensate for these impacts in a culturally appropriate manner and based on the Social Assessment prepare an IPP. The LGs' proposed action will be developed with the free, prior, informed consultations with the affected IPs and contained in a time-bound plan IPP, or a broader community development plan (see **Table 21**).

Table 21: Matrix for identifying applicable safeguards instrument for IPs

Trigger	Safeguard instrument
Indigenous Peoples (IPs) may form a portion of the beneficiaries/persons affected	An Indigenous Peoples Plan based on a Social Assessment
The subproject does not impact the Indigenous Peoples	NA or

Trigger	Safeguard instrument
or the IPs is the sole beneficiaries of a subproject	IPs needs and concerns are incorporated in the subproject design

7.5 Development benefits

The LGs will seek to identify, through the process of free, prior, and informed consultation with and the informed participation of the affected communities of IPs, opportunities for culturally appropriate development benefits. Such opportunities should be commensurate with the degree of subproject impacts, with the aim of improving their standard of living and livelihoods in a culturally appropriate manner, and to fostering the long-term sustainability of the natural resource on which they depend.

7.6 Special requirements

Because IP communities may be particularly vulnerable to the subproject circumstances described below, the following requirements will also apply, in the circumstances indicated, in addition to the general requirements above. When any of these Special Requirements apply, the LGs will retain qualified and experienced external experts to assist it in conducting the Assessment.

7.6.1 Impacts on traditional or customary lands under use

The IPs are often closely tied to their traditional or customary lands and natural resources on these lands. While these lands may not be under legal ownership pursuant to national law, use of these lands, including seasonal or cyclical use, by communities of Indigenous Peoples for their livelihoods, or cultural, ceremonial, or spiritual purposes that define their identity and community, can often be substantiated and documented. The LGs will follow when traditional or customary lands are under use in a manner described in this paragraph.

If the LGs propose to locate the subproject on, or commercially develop natural resources located within, traditional or customary lands under use, and adverse impacts can be expected on the livelihoods, or cultural, ceremonial, or spiritual use that define the identity and community of the IPs, the LGs will respect their use by taking the following steps:

- The LGs will document its efforts to avoid or at least minimize the size of land proposed for the project
- The IPs land use will be documented by experts in collaboration with the affected communities of IPs without prejudicing any IPs land claim
- The affected communities of IPs will be informed of their rights with respect to these lands under national laws, including any national law recognizing customary rights or use

- The LGs will offer affected communities of IPs compensation and undertake due process available to those with full legal title to land in the case of commercial development of their land under national laws, together with culturally appropriate development opportunities; land-based compensation or compensation-in-kind will be offered in lieu of cash compensation where feasible
- The LGs will enter into good faith negotiation with the affected communities of IPs, and document their informed participation and the successful outcome of the negotiation

7.6.2 Relocation of Indigenous Peoples from traditional or customary lands

The LGs will consider feasible alternative subproject designs to avoid the relocation of IPs from their communally held traditional or customary lands under use. If such relocation is unavoidable, the LGs will not proceed with the subproject unless it enters into a good faith negotiation with the affected communities of IPs, and documents their informed participation and the successful outcome of the negotiation. Where feasible, the relocated IPs should be able to return to their traditional or customary lands, should the reason for their relocation cease to exist.

7.6.3 Cultural Resources

Where a subproject proposes to use the cultural resources, knowledge, innovations, or practices of IPs for commercial purposes, the LGs will inform the IPs of: (i) their rights under national law; (ii) the scope and nature of the proposed commercial development; and (iii) the potential consequences of such development. The LGs will not proceed with such commercialization unless it: (i) enters into a good faith negotiation with the affected communities of IPs; (ii) documents their informed participation and the successful outcome of the negotiation; and (iii) provides for fair and equitable sharing of benefits from commercialization of such knowledge, innovation, or practice, consistent with their customs and traditions.

7.7 Review, Approval and Implementation of the IPP

Based on the screening carried out by PT SMI (refer to section 6.3) on the potential presence of the IP communities in, or have collective attachment to, the subproject site and area of influence, the LGs are notified of the need to prepare an IPP or to improve the IPP or to prepare remedial action plan.

- For type 1 subproject, PT SMI will provide the ToR to the LGs for preparing the IPP in reference to the requirements specified in this IPPF. The LGs will have to submit the IPP to PT SMI, along with an EIA or EMP as applicable, for approval prior to subproject appraisal.
- In the case for Type 2 and 3 subproject (according to level of preparedness, refer to Chapter 1) where IPP (in the case that IP communities are affected by a subproject) has been available, at the appraisal stage, PT SMI will assess the plan for its adequacy. The social safeguards team of PT SMI will carry out a due diligence to see whether the potential adverse impacts of the subprojects have been addressed in a manner consistent

with the IPPF in this ESMF. Should there be inconsistency between the handling of IP communities specified in the IPP and the IPPF principle, PT SMI will request the LGs to prepare a remedial/corrective action plan to address such inconsistencies, and submit it to PT SMI for approval prior to subproject appraisal.

The requirements to implement mitigation measures specified in the approved IPP or in the remedial/corrective action plan are then translated into covenants in the loan agreement. The loan covenant shall also include among others, requirements for the LG to include measures that need to be implemented during construction by the contractors. The loan signing as well as loan disbursements are linked to compliance with public disclosure and implementation of the approved IPP. Suggested outline of Social Assessment and content of IPP is presented in Annex 6.

7.8 Monitoring and Reporting

The LGs will monitor the implementation progress of the approved IPP and prepare a quarterly report which explain the progress of the implementation of the approved IPP, and evaluate whether the intended activities have reached the objectives with clear performance indicators and timeframe as specified in the IPP. This Quarterly Report will also report the implementation of the activities that need to be done by the contractors during the construction period. The Quarterly Report will be submitted to PT SMI.

7.9 Grievance Redress Mechanisms and Disclosure of IPP

The LGs will have to develop or use the existing complaint handling system that allow the public and the IP communities to file complaints, raise issues and/or convey their aspirations on the subprojects. The quarterly report shall include the records on the complaints received and followed-up, and remaining unsolved issues.

The SA and IPP require wide dissemination among the affected IPs' community using culturally appropriate methods and locations. The LGs will make the SA Report and draft IPP available to the affected IP communities in appropriate form, manner, and language. PT SMI will also disclose the SA and the IPP in its website prior to subproject appraisal.

8. Grievance Redress Mechanisms

PT SMI promotes transparency and accountability for sustainable infrastructure development in the country, not only from the environmental and social safeguards perspectives but also from the technical, financial, economic and political viewpoints. In this light, PT SMI opens to constructive inputs and aspirations from the public, clients/LGs, and users that it finances through RIDF financing. As one of the efforts to achieve these objectives, PT SMI is establishing a Grievance Redress Mechanisms to serve as an effective tool for early identification, assessment, and resolution of complaints on subprojects.

The Internal Audit (IA) Division of PT SMI is the one that responsible for the GRM. It is under and reporting directly to the President Director of PT SMI. The IA Division will receive all the inputs, complaints, aspirations, ideas that is addressed to PT SMI. The IA Division will pass them on to the responsible Divsiion with adjust to the subjects/matters. There is already a guidance for a Whistle Blowing System (WBS) of PT SMI, namely "Pedoman Sistem Pelaporan Pelanggaran". There is a link in SMI's website related to the people http://192.168.29.251:81/wbssmi/

The IA Division will pass the issues related to the safeguards on to the Environmental Social Safeguard and Business Continuity Management (ESSBCM) Division. The ESSBCM Division of PT SMI will establish a GRM that will allow public, affected IP communities or individuals, and PAPs to file complaints and to receive satisfying responses in timely manner. The system will also record and consolidate complaints and their follow-ups. This system will be designed not only for complaints regarding the preparation and implementation of LARAP, IPP and TS, but also for handling complaints of issues (including environmental and other social safeguards issues) related to the projects financed by the PT SMI and the Word Bank under this project.

At the project level, the relevant LGs will have to establish a grievance redress mechanisms (GRM) for complaints related to the financed project. The LGs have to assign a staff to be responsible in managing the GRM system. The system will receive, and properly follow up complaints from the public, IP communities or individuals, and PAPs in a timely manner, as well as records complaints and their follow-ups. The LGs could use its existing GRM system, if it is already available and well-functioned with procedures and mechanisms that are in line with the requirements of the GRM as specified in the OM. Otherwise, the LGs will have to improve its current GRM system and capacity to be able to implement the GRM as specified in the POM.

1. Objective of the GRM establishment at PT SMI
2. Principles of GRM
3. The location of the GRM unit in the PT SMI Structure-- GRM is not exclusively for safeguards, it is for any complaints related to subproject and PT SMI activities; as a start, GRM unit may be established for safeguards issues; but PT SMI cannot halt the public to complain beyond safeguards

4. How the GRM unit will operate, flows of complaint management
5. Human Resources/staffing that will manage GRM unit
6. What are the tools/media for complaint application and follow-up
7. What are the standards operating procedures and service standards to handle/manage complaints
8. Disclosures of complaints

More specifically, the purposes of the GRM are to:

- Be responsive to the needs of beneficiaries and to address and resolve their grievances;
- Serve as a conduit for soliciting inquiries, inviting suggestions, and increasing community participation;
- Collect information that can be used to improve operational performance;
- Enhance the project's legitimacy among stakeholders;
- Promote transparency and accountability; and
- Deter fraud and corruption and mitigate project risks.

8.1 Approach to grievance redress

The approach to redress grievance should involve the following:

1. **Assessment of risks and potential grievances and disputes:**
   The Risk Management Directorate (RMD) must understand the issues that are – or are likely to be – at the heart of disputes related to the subproject, such as clarity over land rights, benefit distribution, existing ethnic tension, or labour issues. For this, the RMD along with the client must conduct a rapid review of contentious issues, stakeholders, and institutional capacity, strongly relying on existing information from the client, civil society and other non-state institutions. The review must map who the key stakeholders to these issues are and what the nature of the debate is (informed, polarised, etc.). Attention must be paid to the local dispute resolution culture and, particularly, to the capacity and track-record of stakeholders to settle disputes through mediation or constructive negotiation.
2. **Capacity assessment**
   The review must also cover the availability, credibility and capabilities of local and national institutions to address the issues related to the subproject or program. For each of the institutions that are expected to deal with these issues, a credibility assessment must be undertaken, based on the following criteria:
   a. *Legitimacy:* is its governance structure widely perceived as sufficiently independent from the parties to a particular grievance?
   b. *Accessibility:* does it provide sufficient assistance to those who face barriers such as language, literacy, awareness, cost, or fear of reprisal?
   c. *Predictability:* does it offer a clear procedure with time frames for each stage and clarity on the types of results it can (and cannot) deliver?

d. *Fairness:* are its procedures widely perceived as fair, especially in terms of access to information and opportunities for meaningful participation in the final decision?
e. *Rights compatibility:* are its outcomes consistent with applicable national and international standards? Does it restrict access to other redress mechanisms?
f. *Transparency:* are its procedures and outcomes transparent enough to meet the public interest concerns at stake?
g. *Capability:* does it have the necessary technical, human and financial resources to deal with the issues at stake?

3. Action plan (should be done in the preparation of this ESMF)

Action plans must necessarily be subproject specific, but should focus on tangible steps that can be taken during preparation and implementation to strengthen grievance capacity more widely.

8.2 Grievance redress mechanisms structure

The GRM general structure must involve the following:

Step 1: Access point / complaint uptake

a) An easily accessible and well publicised focal point or user-facing 'help desk' must be set-up. The help desk can be within the relevant agency or government department, but must be in a location that is seen as credible and accessible.
b) Uptake channels should include phone hotline, email, mail, SMS, webpage, and/or face-to-face. The uptake channels should be publicized and advertised via local media and the implementing agency. It is a common practice today that an SMS complaint system is effective to receive complaints accessible to all with almost at no costs without any deviation of the information in the complaints. The SMS system can be linked to a web-based system.
c) Staff members who receive complaints verbally should put them in writing for them to be considered. Recognising that many complaints may be resolved 'on the spot' and informally by project staff, there are opportunities to encourage these informal resolutions to be logged here to (i) encourage responsiveness; and (ii) ensure that repeated or low-level grievances are being noted in the system. The GRM should have the ability to handle anonymous complaints.
d) The user should be provided with a receipt and 'roadmap' telling him/her how the complaint process works and when to expect further information.

Step 2: Grievance log

a) It is important that all complaints are logged in writing and maintained in a database, either a simple Excel file or a publicly accessible web site (with appropriate steps taken to preserve anonymity).

b) Complaints received should be assigned a number that will help the complainant track progress via the online system or database.
c) Complainants should be handed a receipt and a flyer that describes the GRM procedures and timeline (staff should be trained to read this orally for illiterate complainants).
d) Where possible, the grievance log should capture complaints being made via informal or traditional systems, such as village councils or elders.
e) This will often require training local people and putting in place a formal link between the traditional systems and a more structured GRM system (this could take the form of a verbal agreement or a written MoU).
f) At a minimum, the database should track and report publicly the complaints received, complaints resolved and the complaints that have gone to mediation. The database should also show the issues raised and location of complaints circle around.

Step 3: Assessment, acknowledgment, and response

a) Eligibility should be a procedural step to ensure that the issue being raised is relevant to the project.
b) Complaints that cannot be resolved on the spot should be directed to the grievance focal point who will have a set number of days to assess the issue and provide a written response to the complainant, acknowledging receipt and detailing the next steps it will take (one week or less is recommended).
c) Grievances should be categorised according to the type of issue raised and the effect on the environment/claimant if the impacts raised in the complaint were to occur. Based on this categorisation, the complaint can be prioritised based on risk and assigned for appropriate follow up. For example, claims relating to land may be referred to an existing land claims court if this has been identified as a credible institution for resolving these disputes.
d) Assessment of the issue must consider the following:
    i. It is anticipated that the majority of issues raised will be informational in nature or feedback that requires small course corrections; these should generally be handled by the client. Issues having to do with governance issues, at the LGs or by PT SMI staff, should be addressed at a higher level, either an appeals or supervisory body within the client or senior management (Board of Commissioners) within PT SMI. The 'tip of the iceberg' complaints will likely be those reflecting outright opposition to a project or open conflict between stakeholders. These issues are unlikely to be resolved via a GRM and should be handled at the highest appropriate level within either the country or the World Bank. Higher risk issues will require greater independence to handle, whereas lower-level feedback can and should be handled "in-house," i.e. by the client.
    ii. To understand the level of risks, whether it is low risk, medium risk, or high risk, some training will be required to ensure staff managing the GRM. It is to build awareness of what would constitute a higher-risk issue for the project, so the entity can handle such a complaint properly.

iii. If an issue is already being handled, for example by a local court or mediation body, or within the World Bank, then the issue should most likely be excluded from the grievance redress process in order to avoid duplication and confusion on the part of the complainant.

e) *Resolution:* Once the above issues have been considered, the complainant should be offered option(s) for resolution of their issue. The option offered is likely to fall into one of the following three categories:

i. The complaint falls under the mandate of the client and resolution can be offered immediately according to the request made by the complainant. The response will describe how and when resolution will be provided by the client and the name and contact information of the staff member responsible for it.

ii. The complaint falls under the mandate of the client but various options for resolution can be considered and/or extraordinary resources are required. The response will invite the complainant to a meeting to discuss these options.

iii. The complaint does not fall or partially falls under the mandate of the client. The response will indicate that the complaint has been referred to the appropriate body (e.g. Complaints related to resettlement will be forwarded to the Resettlement Committee), which will continue communications with the complainant.

Step 4: Appeals

Where an agreement has not been reached, the complainant should be offered an appeals process.

a) One approach is to refer appeals to the national courts or other suitable process.

b) In some instances, it is helpful to convene a senior and independent panel of individuals to seek appropriate resolution of the case, with representation from both government and civil society. This panel may also play the role of providing strategic oversight and assurance of the mechanism through reviewing monitoring and tracking data.

c) At this stage it may be helpful to offer third party fact-finding, facilitation or mediation. PT SMI to maintain a roster of independent professionals located in the regions and can provide independent support on a contract basis. Costs will be paid by the project.

i. If the complainant accepts the options, and an agreement is reached, implementation will be monitored by the mediation service and a minute will be signed signalling the complaint has been resolved.

ii. If the complainant does not accept these options or if he/she does but an agreement is not reached, the case will be closed. The complainant may seek redress through courts or other mechanisms available at the country level.

Step 5: Resolve and follow-up

a) Where there is an agreement between the complainant and the client or contractor on how the complaint will be resolved, a minute will be drafted and signed by both parties. After due implementation of it, a new minute will be signed stating that the complaint has been resolved.

b) All supporting documents of meetings needed to achieve resolution should be part of the file related to the complaint. This should include meetings that have been escalated to an appeals level or are handled by a third party.

c) The client should provide regular (monthly or quarterly) reports to the public that track the complaints received, resolved, not resolved, and referred to a third party. The World Bank project team should receive either the raw grievance data or the monthly reports, in order to support the PT SMI in early identification of developing risks.

d) The GRM data should feed into management system of PT SMI to demonstrate responsiveness and early resolution of issues (and help teams identify outstanding complaints in need of attention).

9. Public Consultations and Disclosures

Stakeholder consultation for the Draft of ESMF was held by PT SMI in June 20-21, 2016 in Jakarta. The main purposes of the consultation were to seek inputs on the ESMF from LGs, key central agencies, relevant NGOs and other institutions; and to socialize the PT SMI's ESMF commitment that follow international best practices in ensuring that subprojects to be financed by the RIDF meet the requirements of its ESMF. The consultation were attended by representatives of Local Governments, NGOs, Ministry of Finance, Ministry of Public Works and Public Housing, Association of City Governments, Association of Kabupaten Governments and Association of Provincial Governments, some representatives from local parliaments, and universities, etc. (Minutes of consultation is available, however it is still in Bahasa Indonesia). The invitation for this consultation was accompanied by a summary of the draft ESMF. PT SMI obtained positive feedbacks from the stakeholders, main concerns and suggestions.

This ESMF has been disclosed in the PT SMI's website on June 15, 2016.

Subproject specific safeguards instruments (such as AMDAL, UKL-UPL, LARAP, IPP, etc.) will be subject to consultations and disclosure by the LGs. The timing for consultations shall be carried out at the planning stage of subproject preparation. LGs will disclose the AMDAL, UKL-UPL, LARAP, IPP, etc. at the planning stage of subproject preparation, in their websites, a public space accessible to the affected groups, local NGOs and other stakeholders.

9.1 Conveying information to the public

The following table summarizes some of the most commonly used techniques for conveying information to the public and lists some of the advantages and disadvantages of each.

Table 22: Techniques for conveying information

Technique	Key points	Advantages	Disadvantages
Printed materials	• Information bulletins, brochures, reports: brochures, reports: Text should be simple and non-technical and relevant to the reader. • Provide clear instructions on how to obtain more information	• Direct • Can impart detailed information • Cost-effective • Yields a permanent record of communication.	• Demands specialized skills and resources.
Displays and exhibits	• Can serve both to inform and to collect comments. • Should be located where the target audience gathers or	• May reach previously unknown parties • Minimal demands the public	• Costs of preparation and staffing • Insufficient without

Technique	Key points	Advantages	Disadvantages
	passes regularly.		supporting techniques
Print media	• Newspapers, press releases, and press conferences can all disseminate a large amount and wide variety of information • Identify newspapers likely to be interested in the project and to reach the target audience	• Offers both national and local coverage • Can reach most literate adults • Can provide detailed information	• Loss of control of presentation • Media relationships are demanding • Excludes illiterates and the poor
Electronic media	• Television, radio, and video: Determine the coverage (national or local), the types of viewer; the perceived objectivity, and the type of , broadcast offered	• May be considered authoritative • Many people have access to radio	• Time allocated may be limited • Costs can be high
Advertising	• Useful for announcing public meetings or other activities • Effectiveness depends on good preparation and targeting	• Retain control of presentation	• May engender suspicion
Formal information sessions	• *Targeted briefing:* Can be arranged by project sponsor or by request, for a particular community group, firm, or industry association	• Useful for groups with specific concerns • Allow detailed discussion of specific issues	• May raise unrealistic expectations
Informal information sessions	• *Open House, Site Visits, Field Offices*: A selected audience can obtain first hand information or interact with project staff. Visits should be supported with more detailed written material or additional briefings or consultations.	• Provide detailed information • Useful for comparing alternatives • Immediate and direct • Useful when the project is complex • Local concerns are communicated to staff	• Attendance is difficult to predict, resulting in limited consensus-building value • May demand considerable

Technique	Key points	Advantages	Disadvantages
		• May help reach non-resident stakeholders	planning • Field offices can be costly to operate • Only reach a small group of people

Source: World Bank Environmental Assessment Sourcebook, Number 26

9.2 Listening to the public

Table 23 some of the most commonly used techniques for determining public opinion on a particular issue and lists some advantages and disadvantages of each (see **Table 23**).

Table 23: Listening to the public

Technique	Key points	Advantages	Disadvantages
Survey techniques	• Interviews, formal surveys, polls and questionnaires can rapidly show who is interested and why • May be structured (using a fixed questionnaire) or non-structured • Experienced interviewers or surveyors familiar with the project should be used • Pre-test the questions • Open-ended questions are best	• Shows how groups want to be involved • Allows direct communication with the public • Helps access the views of the majority • Less vulnerable to the influence of vocal groups • Identifies concerns linked to social grouping • Statistically representative results • Can reach people who are not in organized groups	• Poor interviewing is counter-productive • High cost • Requires specialists to deliver and analyse • Trade-off between openness and statistical validity
Small meetings	• Public seminars, or focus groups create formal information exchanges between the sponsor and	• Allows detailed and focused discussion • Can exchange information and	• Complex to organize and run • Can be diverted

Technique	Key points	Advantages	Disadvantages
	the public; may consist of randomly selected individuals or target group members; experts may be invited to serve as a resource.	debate • Rapid, low-cost monitor of public mood • A way to reach marginal groups	by special interest groups • Not objective or statistically valid • May be unduly influenced by moderators
Large meetings	• Public meetings allow the public to respond directly to formal presentations by project sponsors. Effective meetings need a strong chairman, a clear agenda, and good presenters or resource people.	• Useful for medium-sized audiences • Allow immediate response and feedback • Acquaint different interest groups	• Not suitable for detailed discussions • Not good for building consensus • Can be diverted by special interest groups • Attendance is difficult to predict
Conferences	• Technical experts and representatives of interest groups may be brought together.	• Impart specialized technical information • Promote data sharing and compromise • Resolve technical issues	• Time and effort needed to prepare • Cost if experts are hired
Community organizers/ advocates	• These work closely with a selected group to facilitate informal contacts, visit homes or work places, or simply be available to the public.	• Mobilize difficult-to-reach groups.	• Potential conflicts between employers and clients • Time needed to get feedback

Source: World Bank Environmental Assessment Sourcebook, Number 26

9.3 Involving the public in decision making

Table 24 summarizes some of the most commonly used techniques for involving the public in making environmental decisions and lists some advantages and disadvantages of each.

Table 24: Involving the public in decision making

Technique	Key points	Advantages	Disadvantages
Advisory groups	• *Task forces*: Set up task groups to focus on a single technical issue. Define the limits of the group's authority and lifetime; ensure that all interests are represented and that contact with the public is maintained.	• Can address highly technical problems • Helps prioritize and reach consensus	• Rarely represents all interested parties • May replace wider consultations • Often focuses too much on procedures
Problem-solving techniques	• *Brainstorming:* Designed to enhance creativity and generate ideas quickly. Selection of the facilitator and participants is critical.	• Helps groups break out of the obvious • Provides insights for decision making	• Difficult to include a full range of views • May yield too many ideas to evaluate
Consensus-building technique	• *Unassisted negotiations, mediation*: Voluntary processes by which representatives of affected organizations make decisions by consensus, to be ratified by parent organizations. Parties either agree on decision-making procedures at the outset or use an experienced mediator	• A forum for jointly identifying solutions • Puts responsibility on the disputants to identify common ground. • Robust agreements with broad support • Quick resolution of contentious issues	• Not all parties will participate • Parties may drop out before the end • Requires good faith • May take too long • Highly skilled mediators are

Technique	Key points	Advantages	Disadvantages
			scarce
Arbitration	• A process by which conflicting parties seek a solution through an impartial mediator. It can be binding, by prior agreement, or all sides may reserve judgment until the outcome.	• Impartiality from an uninvolved party • Difficult to oppose the arbitrator's recommendation	• All parties must stand to gain • Difficult to identify an acceptable neutral party

Source: World Bank Environmental Assessment Sourcebook, Number 26

10. Organizational Arrangements and Funding for Implementing the ESMF

PT SMI has recruited one Senior Environmental Specialist, one Junior Environmental Specialist, and one Social Development Specialist will join on August 1, 2016.The ESSBCM Division main tasks is to oversee the environmental and social aspects of the infrastructure projects during their preparation, construction, operation, and handover phases. These specialists will ensure that PT SMI implement the detailed procedures, requirements and formats that will comply with the Government of Indonesia's laws and regulations, the PT SMI's ESS, World Bank's safeguards policies, and international labor and occupational health and safety standards. PT SMI's environmental and social specialists will hire expert consultants to support detailed project reviews depending on specific project characteristics. In addition, a professional firm will be recruited to assist PT SMI in all phases of guarantee screening/appraisal/monitoring and further provide capacity building, including safeguards review and management.

As PT SMI is responsible to implement consistently the Project's OM, it is necessary that PT SMI's environmental and social development specialists as well as PT SMI's consultants be fully conversant with PT SMI's POM.

To strengthen the environmental and social management efforts, PT SMI will undertake the responsibility and leadership of the various issues related with the environmental and social management in Infrastructure Projects. In this sense, a number of activities have been identified to be undertaken by the PT SMI to strengthen the environmental management within the institution and ensure the environmental and social sustainability of the projects supported by it.

Considering that the environmental and social management issues shall have to be started from base level at PT SMI, following three components have been identified to strengthen it:
a) Activities to promote and disseminate the environmental and social management tools;
b) Training workshops on special subjects to improve the environmental and social management within the institution; and
c) Requirements of work teams and means for the environmental and social management.

The successful implementation of the ESMF depends on various members of RIDF as well as institutions and professionals operating outside of RIDF. This chapter provides for the responsibilities of each of these stakeholders for operationalizing the ESMF.

10.1 Organizational framework stakeholders external to RIDF

The key external stakeholders involved in implementing this ESMF are (see **Table 25**):

- Local governments and their various related departments
- External environment and social consultants and agencies carrying out technical studies / environment and social assessments, monitoring activities, training programs etc.

Table 2526: Roles and responsibilities of key stakeholders on the implementation of ESMF

Stakeholder	Role and responsibility
Local governments in Indonesia	The LGs will have to play a pivotal role in getting the requirements implemented on the ground and providing feedback / communication on performance. Some of the key activities of the LGs would involve: ▪ Identifying various subprojects within their jurisdiction as outlined in the subproject pipeline (sectors), and the eligibility criteria of funding through RIDF and develop them with help from PDF ▪ Engaging with consultants / agencies for preparing the scope of work related to statutory legal compliance and conformance with environment and social safeguards
External agencies carrying out environment and social studies and assessments	The primary role of the external consultants and agencies will be to conduct the studies, assessments, training programs etc. as specified in their scope of work issued to them and provide quality outputs within the stipulated time periods in consonance with the requirements as specified in the ESMF

10.2 Organizational arrangements of PT SMI

The key stakeholders within RIDF involved in operationalizing the ESMF:

- Board of Commissioners (PT SMI)
- The Board of Directors (PT SMI)
- Risk Management Directorate (PT SMI)
- Business Directorate (PT SMI)
- Financing Facility Control Division (PT SMI)

The roles and responsibilities of each of these members of the RIDF forms the organizational framework for implementing the ESMF. The same is provided below (see **Table 27**).

Table 27: Organizational framework for implementing ESMF

Stakeholder	Role and Responsibility
Board of Commissioner, PT SMI	▪ Nominate members of the Board of Directors; ▪ Approve RIDF's annual business plan and annual budget and also approve its annual accounts;

Stakeholder	Role and Responsibility
	▪ Monitor RIDF's performance on a quarterly basis; ▪ Approve subprojects recommended by the Board of Directors for subprojects where RIDF's investment is beyond a specified subproject cost[1]; ▪ Decide the threshold limit of subproject costs; and ▪ Provide approval and suggestions for improvement on performance reviews of RIDF loans ▪ Finalize the grievance redress mechanisms plan/concept and approve its initial establishment
Board of Directors, PT SMI	▪ Establish policies and risk management of ESMF implementation for RIDF's activities funded by multilateral agencies ▪ Establish the organizational structure including clear authority and responsibility related to ESMF implementation for the LGs' subprojects financed by multilateral agencies ▪ To monitor compliance with ESMF implementation for multilateral projects fund and provide guidance on ESMF management improvement of multilateral projects fund in RIDF's activities.
Business Directorate	▪ To ensure that the project is not included in the Exclusion List. ▪ To coordinate with the counterparty/debtor for completing the necessary documents in the ESMF management. ▪ To monitor the financing and investment facilities or project development or consulting services. ▪ To keep and maintain hardcopies or softcopies of RIDF documents.
Environmental and social safeguard officers (specialists), RIDF (*As applicable based on thematic relevance*)	▪ Coordinate with World Bank safeguards team, the LGs and consultants for implementation of the ESMF ▪ Identify, screen and recommend empanelment of consultants / agencies for conducting assessments, studies and training activities related to environment

Stakeholder	Role and Responsibility
	and social ▪ Review ToRs for DPR preparation (for PDF) ▪ Review ToRs for EIA of projects, as prepared by consultants ▪ Review DPRs for projects ▪ Review EIA reports for projects ▪ Review LARAP reports ▪ Participate in site visits with LG teams for project appraisal ▪ Review project appraisal formats for projects being reviewed ▪ Conduct project-related environment and social internal audits ▪ Review project environment and social monitoring reports and develop internal communication reporting for RIDF and the World Bank safeguards team on legal compliance and safeguard conformance ▪ To plan, ensure and oversee capacity building training programs for stakeholders ▪ To maintain and update ESMF on a regular basis and record changes in the revision sheet ▪ To keep and maintain hardcopies or softcopies of ESMF documents.
Director, Risk Management Directorate	▪ To ensure 1/ financing and investment activities, 2/ project development, and 3/ consulting service provision are in compliance with the provisions as set forth in the regulations, in accordance with the scope of ESMF ▪ To establish risk categories of ESMF ▪ To approve the Project Appraisal Report prepared under ESMF prepared by E&S Safeguard Specialist. ▪ To submit Project Appraisal Report report to the Business Divisions and the Financing Committee for the consideration of financing and investment decisions. ▪ To ensure adequacy of resources related to the

Stakeholder	Role and Responsibility
	implementation of the ESMF-RIDF in the Risk Management Directorate.
Financing Facility Control Division (DPFP)	▪ To monitor the fulfilment of compliance obligations of the parties, including the fulfilment of the impact mitigation plan (EIA/EMP), in accordance with the financing and investment agreement. ▪ To keep and manage the original ESMF documents as a part of financing and investment documentations.

10.2.1 Capacity strengthening

The Environmental and Social Safeguard and Business Continuity Management (ESSBCM) Division of PT SMI is situated in the Risk Management Directorate of PT SMI. This E & S Unit is chaired by a Division Head. The present capacity of E & S Unit at PT SMI should be continuously increased to appropriately manage the environmental and social safeguards as per requirements specified in the ESMF. The responsibilities of the E&S staff have already been listed in the Table provided earlier. Also, in addition to staff recruitment, training for E&S staff will be required to ensure update on knowledge and skills in commensurate with the ESMF requirements. Capacity strengthening is detailed in the following section.

10.3 Institutional capacity strengthening

As the subproject portfolio and pipeline for LG borrowing will be continuously growing, there is a need for PT SMI to strengthen its current capacity in managing environmental and social safeguards, particularly the ESSBCM Division under the Risk Management Directorate. The capacity of PT SMI should be improved to ensure that all key players are competent to discharge their respective duties as far as environmental and social safeguards management is concerned. In addition to the Risk Management Directorate, PT SMI should also assist and ensure that LGs have adequate capacity to meet the requirements specified in the ESMF. The following are the strategy for improving the current capacity of PT SMI in managing environmental and social safeguards:

Operational Documents

PT SMI will elaborate the ESMF into an operational document, i.e., Project Operation Manual (POM), whereby this ESMF is part of, along with the details of the operational arrangements to guide the -ESSBCM Division and LGs; and Guidance Notes for sectors/subsectors/environmental management/social safeguards management for the LGs. The POM will be made available in September 2016 and Guidance Notes will be ready in January 2017.

Staffing

Depending on the needs from the growing portfolio and pipeline, PT SMI will increase its staffing for the ESSBCM Division gradually. Today PT SMI has two environmental specialist and one social safeguards specialist. This year, PT SMI is planning to hire another full-timer social safeguards specialist and another full timer environmental specialist. In 2017, two full-timer social safeguards specialist will be recruited. In addition, PT SMI will also utilize the "pool of experts" that are available on call basis.

Outsourcing

PT SMI will hire consulting firms and/or individual environmental and social safeguards specialists, as needed, to assist it in carrying out the review, assessment and environmental and social due diligence (ESDD), and to carry out in-house training for PT SMI ESS staff and other units' staff for awareness training. In addition, PT SMI, as needed, will also outsource monitoring and evaluation of the ESMF implementation at the LG level and at the PT SMI level. It is expected that from the outsourcing, PT SMI ESS staff will increase their knowledge and experiences as the consulting firms will handhold them during the review, ESDD and monitoring the LGs.

Training

This capacity building should be accomplished by organizing awareness-raising / sensitization programs, hands-on workshops (on application of ESMF), training programs (technical and thematic areas related to environment and social issues in RIDF's subproject portfolio and pipeline), etc.

These programs should be coordinated and anchored through training institutions available in the country and other local, national or international experts experienced in various aspects of urban infrastructure projects. The expertise of DFIs also should be tapped whenever needed for capacity building. The capacity building tasks can be out-sourced to reputable international and domestic consulting firms.

Training programs should be conducted according to an annual training calendar to impart working skills for implementing ESMF, to update stakeholders on external changes (legal requirements, safeguards, etc.) and for operational experience-sharing, and to communicate revisions carried out in the ESMF. The training programmes should clearly designate the intended audience, responsible implementers and estimated costs along with the timing of the activities.

Training programs organized for such purposes should typically include topics necessary for carrying out ESMF assessment and those related to the structure of the ESMF. They should be designed to improve knowledge and ability to deliver environmental and social support across projects at all implementation levels. Such programs can address the following areas;

a. Environment and social issues linked to urban infrastructure development in Indonesia
b. Indonesian legal governance and requirements (applicable to RIDF projects)
c. Environment and social safeguards and management systems of DFIs
d. ESMF structure and objectives

e. Operationalization of ESMF comprising assessment processes integrated in business cycle through case studies (screening, identifying legal requirements, impact assessment, identifying mitigation measures, categorization)

f. Monitoring of projects – what to monitor / measure, why and how often

g. Impact assessment of projects (environmental as well as social)

h. Internal and external audit (objectives, protocol, reporting, corrective actions)

i. Document management (update to ESMF policy and procedures based on external and internal changes, revisions in formats for recording information)

All of the ESS staff of PT SMI will have to be provided training, which can be in-house training and external training. Each staff will have to take at least one regular and one thematic training, depending on the needs and the interests. Training can be in the form of programmed training, seminar, workshop or knowledge forum exchange. The E&S staff will provide regular awareness training and refresher training to all staff of PT SMI, as part of the importance of mainstreaming environmental and social safeguards aspect in the decision making process for lending to the LG.

Corporate responsibility

PT SMI will is planning to carry out outreach and training to LGs on its environmental and social safeguards management principles, as applicable, with the assistance of experts hired by PT SMI. In addition, as needed, PT SMI will also provide training for specific needs to LG, such as training for health and safety, training for dam safety, etc. This capacity building for LGs will be delivered together with the PDF Directorate.

Funding

PT SMI will allocate sufficient budget annually to implement the above activities. Institutional strengthening capacity plan will be part of the PT SMI Annual Work Plan, and accordingly budget to implement such plan will be part of the annual budget plan.

PT SMI should maintain records of the institutional capacity strengthening, detailing the training programs, agenda comprising topic, duration and trainer, qualifications of the trainer for conduct of training, and attendance sheet of participants. Training content should also be maintained and updated as required. Similar records will have to be maintained for workshops, seminar, outreach, etc (see **Table 28**).

Table 28: PT SMI's Institutional Capacity Strengthening Plan 2016-2019

Activities	Target indicators (TI)/estimated costs (EC) in USD							
	2016		2017		2018		2019	
	TI	EC	TI	EC	TI	EC	TI	EC

POM	EoY	-						
Guidance Notes			5	200 K				
Full-timer Environmental specialist	3	75 K	3	75 K	3	75 K	3	75 K
Full-timer social safeguards specialist	1	75 K	3	75 K	3	75 K	3	75 K
Outsourcing	1 firm	100 K	1 firm	100 K	1 firm	100 K	1 firm	100 K
Regular training	2	10 K	2	10 K	2	10 K	2	10 K
Thematic training	2	10 K	2	10 K	2	10 K	2	10 K
Outreach and LG training	2	20 K	2	20 K	2	20 K	2	20 K
Etc. etc. add rows…								
Total Estimated Costs		290 K		490 K		290 K		290 K

10.4 Monitoring and evaluation of the implementation of ESMF

To review the performance of ESMF, a periodic (at least once in two years) audit should be carried out by the World Bank through an external competent auditor agency that should be appointed on the basis of accepted procurement norms. It should be mandated to conduct the following activities:

i. Review ESMF by examining key documents (see below an indicative list) provided by RIDF:

- Review ESMF structure, procedures and formats
- Review screening process (exclusion and screening of projects), EIA/RAP guidelines.
- Check documents / records of projects to establish (with objective evidence) that effective mitigation measures and operational controls have been applied in the projects where the ESMF has been adopted. This will be based on interviews with staff from RIDF, LGs, implementing agencies, contractors, O&M agencies etc.
- Conduct the audit process at the PT SMI; all necessary documents should be made available to the auditors.
- Conduct sample project site visits (one day visit for one project site in different regions). The objective of these visits is to review on-ground ESMF implementation on the site limited to the actions / controls identified in the ESMF documents / records and applicable to the particular project.

ii. Based on the above review and audit, the external auditor should prepare a short report that reflects its opinion on:

- How and to what extent does the ESMF address environment and social concerns relevant to the projects undertaken?
- How relevant and comprehensive are the key elements of ESMF and how are they aligned to environment and social safeguards of DFIs and national / state level regulation?
- Are the institutional arrangements effective and adequate in implementing ESMF at various levels?

10.5 Document Control and Update

The ESMF should be updated periodically to ensure that it is in tune with DFIs' environment and social safeguards, regulatory requirements, nature / scale of projects and status of the environment.

External audit findings / observations, and lessons learnt should also be incorporated to ensure its continued suitability, adequacy and effectiveness. The updates should be recorded in the document control revision sheet of the ESMF to preserve the history and reasons for changes. The environment and social safeguard staff of RIDF is responsible for updates.

11. Templates and Document Outlines

Annex 1. Environmental and Social Screening Checklist

Project Summary		
Name of Project		
Name of Local Government		
Project Location		
Does the project in any of the below areas? (see Annex 1B for definition of areas)		
Area Description	**Yes/No**	**Details**
Protected forest area		
Water Catchment Area		
Beach		
River		
Lake		
Nature reserves		
Mangrove forested coastal area		
National park		
Natural habitats		
Private/community/indigenous forest		
Germplasm protection area		
Coral reefs		

SOCIAL ASSESSMENT CHECKLIST	
Question	**Answer**
Does the project involve acquisition of private land?	
Does the project involve acquisition of Government land?	
Number of people to be displaced?	
Describe existing land uses on and around the project area (e.g., community facilities, agriculture, tourism, private property)?	
Will the project result in loss of access to current livelihoods?	
Is the project likely to provide local employment opportunities, including employment opportunities for women?	
Is the project being planned with sufficient attention to local poverty alleviation objectives?	
Are there socio-cultural groups present in the project area (ethnic communities, minorities, or indigenous communities)?	
Do such groups self-identify as being part of a distinct social and cultural group?	
Do such groups maintain cultural, economic, social, and political institutions distinct from the dominant society and culture?	
Do such groups speak a distinct language or dialect?	
Have such groups been historically, socially and economically marginalized, disempowered, excluded, and/or discriminated against?	
Will the project directly or indirectly benefit or target Indigenous Peoples?	
Will the project directly or indirectly affect Indigenous Peoples' traditional socio-cultural and belief practices? (E.g. child-rearing, health, education, arts, and governance)?	

Will the project affect the livelihood systems of Indigenous Peoples? (e.g., food production system, natural resource management, crafts and trade, employment status)?	
Will the project be in an area (land or territory) occupied, owned, or used by Indigenous Peoples, and/or claimed as ancestral domain?	

Summary of Potential Impacts of the Project	
Environmental Impacts	
Social Impacts	

What ESMF Risk Category does the project fall in? (See Annex 1C)	
	Category A
	Category B
	Category C

Which are the safeguard policies/laws triggered by the Project (refer Annex 1D)	
Indonesian Laws and Regulations	
PT SMI Standards	
International-Standard Operating Policies	

Have environmental permits been obtained by the applicant?

No.	Permit	Yes	No	N/A	Details (Number, date of issue, validity date, permit issuing agency)
1	AMDAL/UKL-UPL/SPPL				
2	Location permit				
3	Hazardous and toxic waste disposal				

	permit				
4	Hazardous and Toxic waste temporary storage permit				
5	Groundwater Use Permit				
6	Other permits				

Annex 1A

Environmental and Social Exclusion List for RIDF
▪ Production or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements, or subject to international bans, such as pharmaceuticals, pesticides/herbicides, ozone depleting substances, wildlife or products regulated under the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) ▪ Production or trade in weapons and munitions ▪ Production or trade in alcoholic beverages (excluding beer and wine) ▪ Production or trade in tobacco ▪ Gambling, casinos and equivalent enterprises ▪ Production or trade in radioactive materials. This does not apply to the purchase of medical equipment, quality control (measurement) equipment and any equipment where IFC considers the radioactive source to be trivial and/or adequately shielded ▪ Production or trade in un-bonded asbestos fibres. This does not apply to purchase and use of bonded asbestos cement sheeting where the asbestos content is less than 20%; ▪ Drift net fishing in the marine environment using nets in excess of 2.5 km. in length ▪ Production or activities involving harmful or exploitative forms of forced labor/harmful child labor. ▪ Commercial logging operations for use in primary tropical moist forest. ▪ Production or trade in wood or other forestry products other than from sustainably managed forests ▪ Production, trade, storage, or transport of significant volumes of hazardous chemicals, or commercial scale usage of hazardous chemicals. Hazardous chemicals include gasoline, kerosene, and other petroleum products.

- Production or activities that impinge on the lands owned, or claimed under adjudication, by Indigenous Peoples, without full documented consent of such peoples

Annex 1B

No.	Environmental Sensitive Areas	Definition
1.	Protected forest area	Forest on the slopes ≥ 40 %, rainfall of 175 , high ≥ 2,000 m above sea level.
2.	Peaty area	peaty soil with a thickness of ≥ 3 meters,
3.	Water catchment boundary	▪ high rainfall, soil structure ▪ easy to absorb water ▪ geomorphological forms that can absorb rain water on a large scale
4.	Beach boundary	at least 100 meters from the highest tide
5.	River boundary	▪ River outside of settlement area, a both side At least 100 meters on big river and 50 meters on small river ▪ River around settlement area, estimated to be enough to build the road inspection between 10-15 meters
6.	Around Lake or reservoir area	At least 50 – 100 m from the high tide
7.	Spring water boundary area	Radius 200 m from spring water
8.	Sea wildlife	marine, inland waters, coastal areas, estuaries, and a cluster of coral atolls which have characteristics such as diversity and / or unique ecosystems
9.	Mangrove forested coastal area	Minimum 130 times the average value of the difference between the highest and lowest tide.
10.	National park and national park marine	Having good diversity plant and animal, good landscape, and good access for tourism purposes
11.	Forest park	Forest Park is a conservation zone that is mainly utilized for the purpose of collection of plants or animals, the development of science, education and training, culture, tourism and recreation

12.	Heritage and science regional area	▪ Spot and space around high cultural value buildings, archaeological sites and regions. ▪ Area with specific geological formations that have high benefits for science development.
13.	Natural park	a. Designated region has a high diversity of plants and wildlife and ecosystem types; b. Representing the formation of certain species c. Has natural conditions, do not or have not been disturbed by human; d. Unique and may be the only one in a region, and requires conservation efforts.
14.	Forest Park tourism area	c. an interesting and aesthetic either natural or man-made; d. Good for recreation and sports as well as located near the centers of settlement; d. Have sufficient and safe area
15.	Germplasm protection area	Have unique types of germplasm
16.	Fauna transit area	a. Area of wildlife origin inhabited b. Has a specific area that allows the life cycle of these species
17.	Natural disaster area	Area potential for eruption, and land slide

Annex 1C

Risk Category	Criteria
A	Project requires AMDAL, OR There are potentially significant negative impacts on the environment which are both sensitive and diverse, which may be long-term in nature. OR There are potentially significant negative social impacts which are both sensitive and diverse, OR There are potentially significant impacts on health and security
B	Project requires UKL-UPL, OR There are potential negative environmental impacts but they local to the project-site, and short-term in nature OR There are potential negative impacts related to social issues that only localized at the project site OR There are health and security issues but they are not significant

C	Project requires SPPL, and the project has zero or minimal potential negative impact on the environment, and there are no potential social issues, and there are no potential health and safety issues

Annex 1D

Type of Impact	National Law/Regulation	PT SMI Standard	International Standard
Project may cause environmental impact	a. Law No. 3 of 2009 b. Government Resolution No. 27 of 2012 c. Minister of Environment Regulation No. 5 of 2012 d. Government Regulation No. 82 of 2011 e. Government Regulation No. 41 of 1999 f. Government Regulation No. 101 of 2014	ESS-1	WB OP 4.01 IFC PS WBG General EHS Guidelines and Industry Sector Guidelines
Project may adversely impact natural habitat or threatened species	a. Law No. 41 on Forestry and Constitutional Court decision No. 35/PUU-X/2012 b. Ministerial Regulation of MOH No. P.62/2013 c. MOHA Regulation No. 52/2014 d. Regulation of Minister of Land Agency and Spatial Development No. 9 of 2015 e. Law No. 18 of 2013	ESS-6	OP 4.04, OP 4.36
Project may adversely impact places/objects of cultural/historical value	-	ESS-8	OP 4.11
People belonging to the traditional community	a. Law No. 5 of 1960 b. Presidential Decree No. 111/1999	ESS-7	OP 4.10

live/occupy the project site or the neighbouring areas			
Project may cause involuntary resettlement	a. Law No. 2 of 2012, Presidential Regulations No. 71 of 2012, No. 40 of 2014, No. 99 of 2014 and No. 30 of 2015	ESS-5	OP 4.12
Project is located on land with lack of clarity on ownership	-	-	OP 7.60
Project may cause agricultural diseases or directly involve use of pesticides	-	-	OP 4.09 WBG General EHS Guidelines and Industry Sector Guidelines
All projects		ESS-2, ESS-3, ESS-10	
Project may cause significant impact on health, safety and security	-	ESS-4	WBG General EHS Guidelines and Industry Sector Guidelines

Annex 2. Outline terms of reference for environmental and social impact assessment study

Terms of Reference (ToR) to Conduct Environmental Impact Assessment Studies for Category A Projects

1.0 Brief Introduction

A brief introduction to the project should be provided in this section

A brief description of the project area / city and salient features of the city such as geographic location, climate, rainfall, soil profile, wind direction, existing drainage system, need for the proposed project, etc. should be given.

2.0 Project objectives and need

A brief profile of the status of existing infrastructure in the city where the project is proposed, service levels, problems and issues, and salient features and environmental implications of the proposed project should be discussed in this section by covering the following objectives:

- Establish the environmental baseline in the study area
- identify and assess the adverse environmental impact and provide requisite measures to address the impact
- identify the opportunities for environmental enhancements in the project area and provide requisite guidance/plans in this regard
- Identify and assess the climate change-related aspects of the project
- Wherever relevant, integrate the measures (mitigation- and enhancement-related) in project planning and design
- Develop appropriate management plans and codes of practices for implementing, monitoring and reporting the environmental mitigation and enhancement measures suggested

The EA should be carried out in line with GoI regulations, and to suit ESMF.

The EA should comprise filling the screening format, environmental screening, project EA, and environmental management plans (EMPs) and mitigation measures. The EA should be carried out in a consultative manner through stakeholder consultations, at various stages, with the affected communities, NGOs, selected government agencies and other stakeholders.

3.0 Scope of work

Consultants should carry out the following tasks while conducting EA for the project including nature, scale and magnitude of impact on the environment.

Task 1 Description of project

A succinct description of the proposed project should be provided covering: (a) status analysis of existing infrastructure (b) description of each of the proposed components, activities and sub-

activities. It should also bring out the rationale for the proposed project and list out its various benefits. The consultant should also provide necessary maps to scale.

Task 2 Review of previous studies

The consultants should review various earlier studies such as feasibility and detailed project reports, etc., of the project and understand all related aspects. This will provide a base to formulate the environmental surveys necessary for the project and assessing its impact.

Task 3 Legislative and regulatory considerations

A review of the legal and regulatory provisions applicable to the project should be carried out to bring out the legal and policy issues to be addressed in the project at various stages such as planning, design, execution and operation. In addition to the environmental laws such as EP Act, Water Act, Air Act, EIA notifications etc., the consultants should review applicable operational policies / directives of the EFA.

The review should, thus, provide a complete list of regulatory formalities required for the project and various clearances required from different regulatory agencies including the State Pollution Control Board.

Task 4 Preparation of environmental profile

An environmental profile of the project influence area should be prepared, based on appropriate primary & secondary surveys and field investigations. Its objective is to establish existing environmental conditions of the project area, in terms of air, water, noise, soil and other environmental parameters, which should form the basis for predicting the impact of the proposed project. As part of this, environmentally sensitive land uses (protected natural areas, areas of ecological value, sensitive receptors like schools, hospitals etc.) would also be identified and plotted on a map to scale.

The extent and duration (at least one season for rapid assessment and the three seasons for full detailed assessment) of surveys should be judiciously decided by the consultant in accordance with the environmental regulations applicable in Indonesia and guidelines of international funding agencies. The profile prepared should be adequate enough to predict the impact of the project and should cater to the requirements of obtaining necessary environmental clearances from the authorities.

The profile should essentially include all physical, ecological and socio-economic components of the project environment and bring out its salient and sensitive features. Important aspects such as reserve forests, national parks, major water bodies, structures of archaeological / historic importance, and other environmental resources (if any) should be identified and their salient features should be presented.

In addition to the basic environmental profile, the quality of water supplied by the present water supply system, potential points of cross-contamination and health profile of the project area

population should also be brought out in detail through appropriate sampling surveys and field investigations.

Task 5 Determination of potential impact

Based on the environmental profile of the project area and the proposed project activities discussed under Activity 1, the consultants should carry out environmental screening to determine the nature of impact and level of EA to be carried out (Section 5.0 provide details).

- If the impact is of a low / insignificant level, where an EMP will suffice, the consultant should review the recent versions of generic EMPs available with MPUDC and carry out necessary changes to suit the project requirements.
- As part of screening, if impact will be medium to high, requiring a detailed EA and stand-alone EMP, the consultant should carry out a detailed impact analysis. The consultant should predict the environmental impact of the project components, activities and sub-activities on various environmental attributes (bio, geo and physical) through appropriate analytical tools and techniques such as modeling techniques, overlays, etc. Each type of impact – significant or insignificant, permanent or temporary, reversible or irreversible, negative or positive – impact should be categorized separately and presented for each phase of project development.
- Based on the outcome of the screening, if any climate change impact is envisaged in project implementation or during operation then the consultants should collect relevant information and appraise that impact. The consultants should identify the adaptation needs of the project, review the potential for greenhouse gas reduction and identify necessary measures for implementation.

All identified effects should be summarized in an easily understandable format and the magnitude and significance of each impact should be explained in detail.

An analysis of various project alternatives, including the 'Project' and 'No project' scenario should be brought out and impact analyzed for each scenario. Based on this analysis the best alternative that causes minimum or no impact should be recommended for implementation.

Task 6 Stakeholder consultations

The consultants should carry out consultations with experts, NGOs, forest department (if applicable) select government agencies and other stakeholders to (a) collect baseline information, (b) obtain a better understanding of the potential impact (c) appreciate the perspectives/concerns of the stakeholders, and (d) secure their active involvement during subsequent stages of the project as appropriate. For A projects, at least two consultations should be conducted, one after screening and the second with the draft final EA / EMP.

Consultations should be preceded by a systematic stakeholder analysis that would (a) identify the individual or stakeholder groups relevant to the project and to environmental issues, (b) include expert opinion and inputs, (c) determine the nature and scope of consultation with each type of stakeholders, and (d) determine the tools to be used in contacting and consulting each type of

stakeholder. A systematic consultation plan with attendant schedules should be prepared for subsequent stages of project preparation as well as implementation and operation, as required. Where community consensus is required in respect of proposed mitigation measures for impact on community assets including water bodies, places of worships etc., specific plan for modification/relocation etc. have to be disclosed and consensus obtained.

Task 7 Development of an EMP / determination of mitigation measures

Based on the outcomes in steps detailed above, the consultants should develop an implementable EMP for the project (detailed in Section 5.0).

4.0 Environmental screening and EA activities to be carried out in detail

4.1 Environment screening

1. Environmental screening should be undertaken to identify the environmental hot spots along the project corridors, project relevance to climate change and determine the level of environmental analysis required for the EA. The consultant should carry out a preliminary analysis to assess the nature, scale and magnitude of the impact that the project is likely to cause on the environment. If the likelihood of significant environmental impact is assessed (may be applicable to the entire project/specific project interventions/specific locations), the consultants should explore possible alternatives to the project and/or project components in a consultative manner. The deliverable at this stage is the **Environmental Screening Report.**

2. The screening exercise should be supported by secondary and primary information collection and stakeholder consultations on the existing environment scenario. As part of the screening exercise the consultants should:

(a) Identify sensitive locations in the project area including regionally or nationally recognized environmental resources and sensitive manmade locations such as hospitals, schools, etc.

(b) Establish baseline environmental quality with regard to air, water and noise.

(c) List and map common property resources such as roadside trees; forests, large water bodies; and major physical cultural properties, etc.

(d) Identify human settlement, physical infrastructure and project activities that would result in severance.

(e) The consultants should also assess whether the project has substantial greenhouse gas reduction potential and whether there it would need to be substantially modified to adapt to possible climate change.

4.2 Project EA

1. Existing environment and baseline conditions: Baseline assessment of a project should be carried out based on the outcome of environmental screening. The baseline conditions should

be established through detailed primary level field surveys. At this stage, the consultants should prepare detailed maps showing candidate sites for environmental improvements.

2. Data collection: Data should be collected on relevant physical, biological and socioeconomic conditions to establish the current environmental status of the project area and get meaningful information that can help in assessing impact and preparing the management plan.

Broadly, the data categories to be covered (the consultant is also encouraged to use professional judgement and local knowledge in defining other data requirements) include current land uses at the proposed project site and the study area using maps plotted to appropriate scale, covering lakes/ponds and their uses, forests and its classification, ecologically sensitive areas (sanctuaries, national parks, wildlife corridors, identified areas of nesting, mangroves and / or of interest of migratory birds, etc.), prominent land marks, sensitive receptors, community severance, village settlements, agricultural lands, pasture and barren lands, various categories of CRZ areas, if any, etc.

Among physical features, data should be collected related to geology, topography, soils, climate and meteorology (with emphasis on critical season considering water bodies and air quality), ambient air quality, surface and groundwater hydrology, existing sources of air emissions, existing water quality status of water bodies of importance, in addition to:

1. Biological and ecological assessment covering water bodies, fauna & flora, ecologically sensitive areas (perceived as well as officially listed).

2. Additional air and noise quality monitoring (based on the outcome of screening report) that may, in future, depict the baseline conditions for EMP monitoring.

Critical areas of environmental importance should be identified while determining the current environmental status of the project site.

1. *Impact prediction:* The consultant should identify both the positive and negative impact of the proposed project, interpreting "environmental" throughout the EA to include socio-economic impact as well as impact on the natural environment. All project activities during pre-construction, construction and operation phases should be considered to assess the impact. In addition, the impact assessment analysis should necessarily cover the "no action" alternative. The consultants should regularly interact with the project's technical and social team to share the findings of the impact assessment. The assessment of environmental impact should necessarily cover (but not limited to) the following:

   (a) Impact on water bodies (including, but not limited to the impact on the water source proposed to be developed for the project in case of a water supply scheme)

   (b) Impact on topography and surface drainage

   (c) Community and cultural severance, identified through consultations

(d) Expected impact on land use patterns at and around the proposed project facilities/components

(e) Impact on ecologically sensitive features including spawning areas in creeks/estuarine areas, etc

(f) Detailed assessment of impact on receiving water bodies (including source of water bodies and downstream impact on riparian rights)

(g) Assess the change of stream course due to diversion channels to construction intake structures and its impact on downstream users

(h) Socio-economic impact

(i) Noise- and air quality-related impact during construction period on sensitive receptors

(j) Impact on trees, public utilities and other community structures, cross-overs, etc

(k) Any impact that is irreversible and/or cannot be avoided or mitigated

(l) **Climate change adaptation** (climate proofing) that should ensure that the desired developmental impact of the strategy or measure is not endangered despite the predicted effects of climate change. Moreover, the assessment should analyze whether the capacity for adaptation of the strategy or measure can be increased further. The assessment should cover the expected climate changes and their consequences for the strategy or measure, including both direct effects (e.g., more frequent flooding or drying out of water sources) and indirect effects. The analysis should also examine all possible effects on the project beyond its formal period; on this basis, options should be developed and implemented to increase the capacity of the project to adapt.

(m) Potential for **greenhouse gas reduction** (climate mitigation) to avoid substantial greenhouse gas emissions. First, the expected development of greenhouse gases in the project area/sector should be assessed; this should be followed by a review of the planned strategies or measures for their contribution to greenhouse gas emissions and an assessment of greenhouse gas reduction potential. On this basis, options for greenhouse gas reduction should be developed, (also taking into account the developmental impact, if applicable).

5.0 Environmental management plan

The EMP should suggest ways / options to mitigate the negative impact of the project, and the preventive measures necessary. Wherever required, the EMP should reflect community consensus on the mitigation measures proposed. It should identify the means / agency responsible for implementation and recommend a suitable monitoring mechanism for the plan. The EMP should be in the form of contract covenants and should provide detailed cost estimates (converted into BOQ items wherever necessary and applicable for implementation). The consultant should also recommend an appropriate institutional mechanism as per the requirements of EMP.

This should be applicable for both generic EMPs and specific EMPs developed from detailed EAs.

The consultant should prepare a detailed EMP covering the measures to mitigate and/or minimize the negative impact, including the implementation arrangement and a monitoring plan for the same with site specific requirements. The EMP should include:

- Management / mitigation / enhancement measures:

  (i) The consultant should recommend measures to eliminate or mitigate every significant negative impact. If any impact cannot be avoided, the cost of damage arising from it should be estimated and adequate compensatory measures recommended.

  (ii) Consultants should recommend all necessary measures that have to be incorporated in the design to attain energy efficiency, enable reuse of treated water, control water leakage, energy generation etc.

  (iii) The cost (capital and recurring) of all mitigation measures and the parties responsible for their implementation should be clearly identified; the cost should be translated into BOQ items. Wherever possible, the measures should be drafted as contract clauses that can be incorporated into construction/operational phase agreements

  (iv) The mitigation measures should contain conceptual designs wherever necessary. The consultants should also identify neighbourhood committees to supervise effective implementation of the proposed mitigation measures.

    - Landscape plan: Wherever necessary, the landscaping plan should meet all project-specific requirements and should be prepared keeping in mind the project area as a whole; the EA should provide a conceptual landscape plan for all project components while taking into account special environmental and social needs.

    - Budget estimates: EMP budget estimates should be prepared for each of the project components and integrated with overall project cost estimates; the relevant costs should be included in the BOQ provisions

    - Monitoring plan: The consultant should specify the types of monitoring needed for potential environmental impact during construction and operation. As in the case of the mitigation plan, the requirements should be specific as to what is to be monitored, and how and by whom, along with reporting formats and recommendations. Where monitoring reports are to be prepared, the recipient responsible for review and any corrective action should be identified. The monitoring plan should be supplemented with a detailed schedule of implementation of EMP measures.

    - Institutional arrangement to manage environment impact effectively: The consultants should identify institutional/organizational needs to implement the

recommendations of the project EA and propose steps to strengthen or expand, if required. This may extend to new agency functions, inter-sectoral arrangements, management procedures and training, staffing, operation and maintenance, training and budgeting.

6.0 Public disclosure

The consultants should assist the client in meeting disclosure requirements, which, at the minimum, should meet the EFA's policy on public disclosure. The consultants have to prepare a plan for in-country disclosure, specifying the timing and locations; translate the key documents, such as the EA summary in Bahasa Indonesia; draft the newspaper announcements for disclosure; and help the client to place the EA reports on the client's website.

The consultants should prepare an executive summary of the draft EA report in both English and Hindi for public disclosure. In addition, for A projects, they should provide, for initial consultation, a summary of the proposed project's objectives, its description, and its potential impact and a summary of the EA's conclusions after the draft EA report is prepared.

7.0 Inputs to be provided by the client

The client should make available all relevant documents and reports in connection to the project area/study area and enable the consultants to procure data.

8.0 Outputs and estimated time schedule

The study should be completed within a period of ____ months from date of the contract and the schedule of deliverables should be as specified below.

- Inception report - within __ month of date of award of contract; includes initial site assessment
- Interim report - within __ months of date of award of contract. Includes baseline parameters, environmental profile and analysis of level of impact, stakeholders' consultation.
- Draft report - within __ months of date of award of contract

This includes detailed EA and/or site-specific EMP climate assessment and adaptation and mitigation measures, and social assessment.

- Final report - within xx months of date of award of contract.

Annex 3. Contents of an Environmental Management Plan

1. A project's environmental management plan (EMP) consists of the set of mitigation, monitoring, and institutional measures to be taken during implementation and operation to eliminate adverse environmental and social impact, offset them, or reduce them to acceptable levels. The plan also includes the actions needed to implement these measures.[7] Management plans are essential elements of EA reports for Category A projects; for many Category B projects, the EA may result in a management plan only. To prepare a management plan, the borrower and its EA design team (a) identify the set of responses to potentially adverse impact; (b) determine requirements for ensuring that those responses are made effectively and in a timely manner; and (c) describe the means for meeting those requirements.[8] More specifically, the EMP includes the following components.

Mitigation

2. The EMP identifies feasible cost-effective measures that may reduce potentially significant adverse environmental impact to acceptable levels. The plan includes compensatory measures if mitigation measures are not feasible, cost-effective, or sufficient. Specifically, the EMP

   (a) identifies and summarizes all anticipated significant adverse environmental impacts (including those involving indigenous people or involuntary resettlement);

   (b) describes--with technical details--each mitigation measure, including the type of impact to which it relates and the conditions under which it is required (e.g., continuously or in the event of contingencies), together with designs, equipment descriptions, and operating procedures, as appropriate;

   (c) estimates any potential environmental impact of these measures; and

   (d) Provides linkage with any other mitigation plans (e.g., for involuntary resettlement, indigenous peoples, or cultural property) required for the project.

Monitoring

3. Environmental monitoring during project implementation provides information about key environmental aspects of the project, particularly its environmental impact, and the effectiveness of mitigation measures. Such information enables the borrower and the Bank to evaluate the success of mitigation as part of project supervision, and allows corrective action to be taken when needed. Therefore, the EMP identifies monitoring objectives and specifies the type of monitoring, with linkages to the impact assessed in the EA report and

[7] *The management plan is sometimes known as an "action plan." The EMP may be presented as two or three separate plans covering mitigation, monitoring, and institutional aspects, depending on borrowing country requirements.*

[8] *For projects involving rehabilitation, upgrading, expansion, or privatization of existing facilities, remediation of existing environmental problems may be more important than mitigation and monitoring of expected impacts. For such projects, the management plan focuses on cost-effective measures to remediate and manage these problems.*

the mitigation measures described in the EMP. Specifically, the monitoring section of the EMP provides (a) a specific description, and technical details, of monitoring measures, including the parameters to be measured, methods to be used, sampling locations, frequency of measurements, detection limits (where appropriate), and definition of thresholds that will signal the need for corrective actions; and (b) monitoring and reporting procedures to (i) ensure early detection of conditions that necessitate particular mitigation measures, and (ii) furnish information on the progress and results of mitigation.

Capacity Development and Training

4. To support timely and effective implementation of environmental project components and mitigation measures, the EMP draws on the EA's assessment of the existence, role, and capability of environmental units on site or at the agency and ministry level.3[9] If necessary, the EMP recommends the establishment or expansion of such units, and the training of staff, to allow implementation of EA recommendations. Specifically, the EMP provides a specific description of institutional arrangements - who is responsible for carrying out the mitigation and monitoring measures (e.g., for operation, supervision, enforcement, monitoring of implementation, remedial action, financing, reporting, and staff training). To strengthen environmental management capability in the agencies responsible for implementation, most EMPs cover one or more of the following additional topics: (a) technical assistance programs, (b) procurement of equipment and supplies, and (c) organizational changes.

Implementation Schedule and Cost Estimates

5. For all three aspects (mitigation, monitoring, and capacity development), the EMP provides (a) an implementation schedule for measures that must be carried out as part of the project, showing phasing and coordination with overall project implementation plans; and (b) the capital and recurrent cost estimates and sources of funds for implementing the EMP. These figures are also integrated into the total project cost tables.

Integration of EMP with Project

6. The borrower's decision to proceed with a project, and the Bank's decision to support it, are predicated in part on the expectation that the EMP will be executed effectively. Consequently, the Bank expects the plan to be specific in its description of the individual mitigation and monitoring measures and its assignment of institutional responsibilities, and it must be integrated into the project's overall planning, design, budget, and implementation. Such integration is achieved by establishing the EMP within the project so that the plan will receive funding and supervision along with the other components.

[9] *For projects having significant environmental implications, it is particularly important that there be in the implementing ministry or agency an in-house environmental unit with adequate budget and professional staffing strong in expertise relevant to the project (for projects involving dams and reservoirs, see BP 4.01, annexure B).*

1. ENVIRONMENTAL MANAGEMENT PLAN – WATER SUPPLY PROJECTS

Sl.no	Potential Negative Impacts	Mitigation Measures	Time frame	Responsible agencies
	PRE-CONSTRUCTION STAGE			
1	Clearances	All clearance required for Environmental aspects during construction shall be ensured and made available before start of work.	Before construction	Local Government / Concerned Departments & agency / Contractor
2	Tree Cutting	i. Try to save the trees by changing the alignment ii. Provide adequate protection to the trees to be retained with tree guards (e.g. Masonry tree guards, Low level RCC tree guards, Circular Iron Tree Guard with Bars) as required. iii. Identify the number of trees that will be affected with girth size & species type along the sewer mains, pumping / lifting station sites and sewerage treatment plant site. The details to be indicated in a strip map plan. iv. Trees shall be removed from the construction sites before commencement of construction with prior permission from the concerned department. v. Undertake afforestation in nearby areas. vi. Compensatory plantation by way of Re-plantation of at least twice the number of trees cut should be carried out in the project area.	Pre-construction & construction phase	Contractor
3	Utility Relocation	i. Identify the common utilities to be affected such as: telephone cables, electric cables, electric poles, water pipelines, public water taps, etc. ii) Affected utilities shall be relocated with prior approval of the concerned agencies before construction starts.	Pre-construction & construction phase	Concerned departments
4	Baseline parameters	Adequate measures shall be taken and checked to control the Baseline parameters of Air, Water and Noise pollution. Base line parameters shall be recorded and ensured conformance till the completion of the project.	Pre-construction, construction and post-construction phase	Prospective contractor
5	Planning of	i. Temporary diversion will be provided with	Pre-	Prospective

	temporary Traffic arrangements	the approval of the engineer. Detailed traffic control plans will be prepared and submitted to the engineers for approval, one week prior to commencement of works. ii. The traffic control plans shall contain details of temporary diversion, details of arrangements for construction under traffic, details of traffic arrangement after cessation of work each day, signages, safety measures for transport of hazardous materials and arrangement of flagmen.	construction & construction phase	contractor
6	Disposal of waste water.	i. The waste water quality shall comply with the regulatory standards to let out into the stream / water channels /open land /irrigation purposes, and necessary permission to be obtained from the concerned department. ii) Ensure efficient working condition of treatment plant.	Pre-construction & construction phase	Local Government
7	Storage of materials	The contractor shall identify the site for temporary use of land for construction sites /storage of construction materials, etc.	Pre-construction & construction phase	Prospective contractor
8	Construction of labour camps	Contractor shall follow all relevant provisions of the Factories Act, 1948 and the Building and the other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 for construction and maintenance of labour camp. The location, layout and basic facility provision of each labour camp will be submitted to Engineer prior to their construction. The construction will commence only upon the written approval of the Engineer.	During the construction	Prospective contractor
		The contractor shall maintain necessary living accommodation and ancillary facilities in functional and hygienic manner and as approved by the Engineer. All temporary accommodation must be constructed and maintained in such a fashion that uncontaminated water is available for drinking, cooking and washing. The sewage system for the camp must be planned. Adequate health care is to be provided for the work force. The layout of the construction camp and details of the facilities provided should be prepared and shall		

		be approved by the engineer.		

CONSTRUCTION & OPERATION PHASE MITIGATION MEASURES

No.	Systems / Impacts	Action to be taken	Responsible agencies	Time frame for implementation
1	**Water Head Works**			
1.1	Change of stream course due to diversion channels to construct intake structures	No appreciable change to the stream course shall occur due to diversion channel and intake structures shall be constructed accordingly.	Prospective contractor	Design, construction and operation
1.2	Disposal of construction debris and excavated materials.	A suitable site should be identified for safe disposal, in relatively low lying areas, away from the water bodies etc., and got approved by the Engineer.	Prospective contractor	Pre-construction and operation.
1.3	Disposal of oil and grease	A suitable site should be identified for safe disposal / without contaminating the source, in relatively low lying areas, away from the water bodies etc., as approved by the Engineer & as per specific procedures.	Prospective contractor/ proponent	Pre-construction and operation.
1.4	Downstream users (impacts arising due to coffer dams, etc.)	Ensure that the stream is not obstructed, affecting the downstream users due to coffer dams, etc.	Prospective contractor	Design, construction and operation
1.5	Water quality in the source / water bodies	Establish the baseline water quality prior to initiation of construction and to be periodically monitored and report sent to the Engineer.	Prospective contractor / Proponent	Pre-construction and Construction
1.6	Restoring river bed / water source	Ensure the restoring of river bed to its natural shape free from any debris or construction junk material that may obstruct the flow.	Prospective contractor / Proponent	construction and operation
1.7	Safety measures	i. Barricading of construction site / manholes at all times in a day with adequate signage. ii. Where loose soil is met with, shoring and strutting shall be provided to avoid collapse of soil. iii. The contractor shall supply all necessary safety appliances such as safety goggles, helmets, safety	Prospective contractor / Proponent	construction and operation

		belts, ear plugs, mask etc. to workers and staff.		

2.	**Construction of Transmission Mains**		**Responsible agencies**	**Time frame for implementation**
2.1	Shifting of common utilities	Ensure community consensus and minimum impact to common utilities like telephone cable, electric cables, electric poles, water taps and etc., Proper clearance to be obtained from the concerned authorities and sent to the Local Government before commencement of works.	Pre-construction &construction phase	Concerned departments / Local Government
2.2	Compensatory plantation of trees	Compensatory plantation of at least twice the number trees felled should be done in line with competent authority guidelines	Pre-construction and Construction	Prospective contractor / proponent
2.3	Disposal of construction debris and excavated materials.	The contractor shall identify the sites for debris disposal and should be finalized prior to start of the earthworks; taking into account the following (a) The dumping does not impact natural drainage courses (b) no endangered / rare flora is impacted by such dumping (c) Settlement area located at least 1.0 km away from the site. (d) Should be located in non-residential areas located in the downwind side (e) Located at least 100m from the designated forest land. (f) Avoid disposal on productive land. (g) should be located with the consensus of the local community , in consultation with the engineer and shall be approved by the highways department (h) Minimize the construction debris by balancing the cut and fill requirements	Pre-construction and operation	Prospective contractor / proponent
2.4	Protection of top soil	The top soil to be protected and compacted after completion of work, where the pipelines run, including open lands and agricultural lands.	Local Government / Prospective contractor	Construction and operation
2.5	Laying of pipeline	Adequate precautions should be taken while laying the water supply mains to avoid the possibility of cross connection with sewer lines.	During construction	Prospective contractor
2.6	Traffic diversion	Before taking up of construction activity, a	During pre-	Prospective

		Traffic Control Plan shall be devised and implemented to the satisfaction of the Engineer. Construction shall be taken phase –wise so that sections are available for traffic. Temporary diversion will be provided with the approval of the engineer. The Detailed traffic control plans prepared and submitted to the engineers for approval one week prior to commencement of works shall contain details of temporary diversion, details of arrangements for construction under traffic, details of traffic arrangement after cessation of work each day, signages, safety measures for transport of hazardous materials and arrangement of flagmen. The arrangement for the temporary diversion of the land shall ensure to minimize the environmental impacts, like loss of vegetation, productive lands etc., prior to the finalization of diversion and detours. Special consideration will be given to the preparation of the traffic control plan for safety of pedestrians and workers at night. The contractor will ensure that the diversion / detour is always maintained in running condition, particularly during the monsoon to avoid disruption to traffic flow. He shall inform local community of changes to traffic routes, conditions and pedestrians access arrangements. This plan will be periodically reviewed with respect to site conditions. The temporary traffic detour will be kept free of dust by frequent application of water.	construction and construction	contractor / Local Government
2.7	Temporary flooding due to excavation.	Proper drainage arrangements to be made, to avoid the overflowing of existing drains due to excavation during the laying of sewer mains.	During construction	Prospective contractor / Local Government
2.8	Using of modern machineries	Using of modern machineries such as backhoes etc., shall be used to minimize the construction period, it will reduce the construction period impacts to the nearby residents.	During construction	Prospective contractor
2.9	Prevention of accidents	Prevention of accidents involving human beings, animals or vehicles falling or accidents due to open trenches/manholes during construction	Construction and operation	Local Government / Prospective

		period. This needs to be ensured with proper signage and barricading.		contractor
2.10	Barricading site	The construction site should be barricaded at all time in a day with adequate marking, flags, reflectors etc. for safety of general traffic movement and pedestrians.	During construction	Prospective contractor
2.11	Dust Pollution near settlements	(i) All earth work will be protected in manner acceptable to the engineer to minimize generation of dust. Area under construction shall be covered & equipped will dust collector. (ii) Construction material shall be covered or stored in such a manner so as to avoid being affected by wind direction. iii) Unpaved haul roads near / passing through residential and commercial areas to be watered thrice a day. (iii) Trucks carrying construction material to be adequately covered to avoid the dust pollution and to avoid the material spillage	During construction	Prospective contractor
2.12	Protection of residential / sensitive receptors.	(i) Noisy construction operations in residential and sensitive areas should be done only between 7.30 am and 6.00 pm. (ii) Preventive maintenance of construction equipment and vehicles to meet emission standards and to keep them with low noise. (iii) Provision of enclosing generators and concrete mixers at site. (iv) Sound barriers in inhabited areas shall be installed during the construction phase. (v) Adequate barricading / other measures to protect dust pollution near sensitive receptors like schools and hospital etc. to be ensured.	During construction	Prospective contractor / Local Government
2.13	Vehicular noise pollution at residential / sensitive receptors.	(i) Idling of temporary trucks or other equipment should not be permitted during periods of loading / unloading or when they are not in active use. The practice must be ensured especially near residential / commercial / sensitive areas. (ii) Stationary construction equipment will be kept at least 500m away from sensitive receptors. (iii) All possible and practical measures to control noise emissions during drilling shall be employed. The Local Government may direct	During construction	Prospective contractor / Local Government

		to take adequate controls measures depending on site conditions.		
2.14	Noise from vehicles, plants a equipment	(i) Servicing of all construction vehicles and machinery will be done regularly and during routine servicing operations, the effectiveness of exhaust silencers will be checked and if found defective will be replaced. (ii) Maintenance of vehicles, equipment and machinery shall be regular and up to the satisfaction of the Engineer to keep noise levels at the minimum.	During construction	Prospective contractor / Local Government
2.15	Storage of construction materials	Site for storage of pipes and construction materials to be identified, without affecting the traffic and other common utilities.	Prospective contractor	During construction
2.16	Storage Of chemicals and other hazardous materials	(i) A suitable site should be identified for the safe storage and handling of chemicals and other hazardous materials with proper display of requirements and marking as protected area. (ii) Providing specific appliances for safe working of personnel in critical areas like chlorination plant shall be ensured.	During construction and operation	Prospective contractor /respective operating agency
2.17	Labour camp &facilities	Setting up of labour camps needs to be done as per the procedures. Adequate potable water facilities, sanitation and drainage etc., in conformity with the Indonesian labour laws shall be ensured. The contractor shall also guarantee the following: (i) The location, layout and basic facility provision of each labour camp will be submitted to Engineer prior to their construction. (ii) The construction will commence only upon the written approval of the Engineer. (iii) The Contractor shall construct and maintain all labour accommodation in such a fashion that uncontaminated water is available for drinking, cooking and washing. (iv) Supply of sufficient quantity of potable water as per Indonesian standards in every workplace/labour camp site at suitable and easily accessible places and regular maintenance of such facilities.	Pre-construction and construction	Perspective contractor / Local Government

		(v) The sewage system for the camp shall be designed, built and operated in such a fashion that no health hazards occurs and no pollution to the air, ground water or adjacent water courses take place. Ensure adequate water supply is to be provided in all toilets and urinals.		
2.18	Waste Disposal	(i) The contractor shall provide garbage bins in the camps and ensure that these are regularly emptied and disposed of in a hygienic manner as per the Comprehensive Solid Waste Management Plan approved by the Engineer. (ii) Unless otherwise arranged by local sanitary authority, arrangements for disposal of night soils (human excreta) suitably approved by the local medical health or municipal authorities or as directed by Engineer will have to be provided by the contractor.	During Construction	Prospective contractor
2.19	Clearing of construction camps and restoration	(i) Contractor to prepare site restoration plans, the plan is to be implemented by the contractor prior to demobilization. (ii) On completion of the works, all temporary structures will be cleared away, all rubbish cleared, excreta or other disposal pits or trenches filled in and effectively sealed off and the site left clean and tidy, at the contractor's expenses, to the entire satisfaction of the engineer.	Post construction	Prospective contractor
2.20	Pollution from Construction Wastes	The Contractor shall take all precautionary measures to prevent the wastewater generated during construction (e.g. during the testing of pipeline) from entering into streams, water bodies or the irrigation system. All waste arising from the project is to be disposed of in the manner that is acceptable by the Engineer. The engineer shall certify that all liquid wastes disposed of from the sites meet the discharge standard.	During Construction and post-construction	Prospective contractor / Local Government
2.21	Pollution from Fuel and Lubricants	(i) The contractor shall ensure that all construction vehicle parking location, fuel/lubricants storage sites, vehicle, machinery and equipment maintenance and	Construction and operation	Local Government / Prospective contractor

		refuelling sites will be located at least 500 m from rivers and irrigation canal/ponds. ii) All location and lay-out plans of such sites shall be submitted by the Contractor prior to their establishment and will be approved by the Engineer. (ii) Contractor shall ensure that all vehicle/machinery and equipment operation, maintenance and refuelling will be carried out in such a fashion that spillage of fuels and lubricants does not contaminate the ground. (iii) Contractor shall arrange for collection, storing and disposal of oily wastes to the pre-identified disposal sites (list to be submitted to Engineer) and approved by the Engineer. All spills and collected petroleum products will be disposed off in accordance with MoF and state pollution control agencyguidelines. (iv) Engineer will certify that all arrangements comply with the guidelines of the pollution control agency/ MoF or any other relevant laws.		
2.22	Safety Aspects	(i) Adequate precautions shall be taken to prevent the accidents and from the machineries. All machines used shall confirm to the relevant Indonesian standards Code and shall be regularly inspected by the Local Government. (ii) Where loose soil is met with, shoring and strutting shall be provided to avoid collapse of soil. (iii) Protective footwear and protective goggles to all workers employed on mixing of materials like cement, concrete etc. (iv) iii) Welder's protective eye-shields shall be provided to workers who are engaged in welding works. (v) Earplugs shall be provided to workers exposed to loud noise, and workers working in crushing, compaction, or concrete mixing operation. (vi) The contractor shall supply all necessary safety appliances such as safety goggles, helmets, safety belts, ear plugs, mask etc. to	During construction	Prospective contractor

		workers and staffs. The contractor will comply with all the precautions as required for ensuring the safety of the workmen as per the International Labour Organization (ILO) Convention No. 62 as far as those are applicable to this contract. The contractor will make sure that during the construction work all relevant provisions of the Factories Act, 1948 and the Building and other Construction Workers (regulation of Employment and Conditions of Services) Act, 1996 are adhered to. The contractor shall not employ any person below the age of 14 years for any work and no woman will be employed for painting with products containing lead in any form.		
2.23	Risk from Electrical Equipment(s)	The Contractor shall take all required precautions to prevent danger from electrical equipment and ensure that - (i) No material will be so stacked or placed as to cause danger or inconvenience to any person or the public. (ii) All necessary fencing and lights will be provided to protect the public in construction zones. All machines to be used in the construction will conform to the relevant Indonesian Standards (IS) codes, will be free from patent defect, will be kept in good working order, will be regularly inspected and properly maintained as per IS provision and to the satisfaction of the Engineer	During construction	Prospective contractor
2.24	First Aid	The contractor shall arrange for: (i) A readily available first aid unit including an adequate supply of sterilized dressing materials and appliances as per the Factories Rules in every work zone (ii) Availability of suitable transport at all times to take injured or sick person(s) to the nearest hospital	During construction	Prospective contractor

3.	**Water Treatment Plant / Booster stations**			
3.1	Tree cutting	Try to save the trees by changing the alignment	Pre-construction	Local

		and provide adequate protection to the trees with tree guards as required. Such as Masonry tree guards, Low level RCC tree guards, Circular Iron Tree Guard with Bars, etc.	and Construction	Government / Prospective contractor
3.2	Compensatory plantation of trees	Compensatory plantation of at least twice the number of trees felled should be done in line with competent authority guidelines.	Pre-construction and Construction	Prospective contractor / Local Government
3.3	Protection of top soil & Environmental enhancing	The top soil to be protected and compacted after completion of work. Top soil from the water treatment plant area should be stored in stock piles and that can be used for gardening purposes at water treatment plant site which will be an environmental enhancing measure.	LGs/ Prospective contractor	During construction
3.4	Disposal of construction debris and excavated materials.	A suitable site should be identified for safe disposal, in relatively low lying areas, away from the water bodies, residential and agricultural fields etc., and got approved by the Engineer. Care should be taken that dumped material does not affect natural drainage system.	Local Government / Prospective contractor	During construction
3.5	Pollution from Fuel and Lubricants	i) The contractor shall ensure that all construction vehicle parking location, fuel/lubricants storage sites, vehicle, machinery and equipment maintenance and refuelling sites will be located at least 500 m from rivers and irrigation canal/ponds. ii) All location and lay-out plans of such sites shall be submitted by the Contractor prior to their establishment and will be approved by the Engineer. iii) Contractor shall ensure that all vehicle/machinery and equipment operation, maintenance and refuelling will be carried out in such a fashion that spillage of fuels and lubricants does not contaminate the ground. iv) Contractor will arrange for collection, storing and disposal of oily wastes to the pre-identified disposal sites (list to be submitted to Engineer) and approved by the Engineer. All spills and collected petroleum products will be disposed off in accordance with environment department and pollution control agency guidelines.	Construction and operation.	Prospective contractor / Local Government

		Engineer will certify that all arrangements comply with the guidelines of environment department orpollution control agency or any other relevant laws.		
3.6	Pollution from Construction Wastes	The Contractor shall take all precautionary measures to prevent the wastewater generated during construction from entering into streams, water bodies or the irrigation system. All waste arising from the project is to be disposed off in the manner that is acceptable by the Engineer.	During Construction	Prospective contractor / Local Government
3.7	Storage of chemicals and other hazardous materials	i) A suitable site should be identified / construct for the safe storage and handling of chemicals and other hazardous materials with proper Display of requirements and marking as protected area. ii) Providing specific appliances for safe working of personnel in critical areas like chlorination plant shall be ensured.	During construction and operation	Prospective contractor / respective operating agency
3.8	Disposal of sludge	A suitable site should be identified for the safe disposal of sludge generated at the WTP site and got approved by the Engineer. Prepare a sludge disposal plan and adheres to the same.	Pre-construction / construction and operation stage	Local Government Prospective contractor
3.9	Information Signs and Hoardings	The contractor shall provide, erect and maintain information/safety signs, hoardings written in English and Bahasa Indonesia, wherever required or as suggested by the Engineer.	During construction	Prospective contractor / Local Government
3.10	Risk from Electrical Equipment	The Contractor shall take all required precautions to prevent danger from electrical equipment and ensure that - i) No material will be so stacked or placed as to cause danger or inconvenience to any person or the public. ii) All necessary fencing and lights will be provided to protect the public in construction zones. All machines to be used in the construction will conform to the relevant Indonesian Standards (IS) codes, will be free from patent defect, will be kept in good working order, will be regularly inspected and properly maintained as per IS provision and to	During construction	Prospective contractor

		the satisfaction of the Engineer.		
3.11	Labour camp & facilities	Setting up of labour camps needs to be done as per the procedures. Adequate potable water facilities, sanitation and drainage etc., in conformity with the Indonesian labour laws shall be ensured. The contractor shall also guarantee the following: i) The location, layout and basic facility provision of each labour camp will be submitted to Engineer prior to their construction. ii) The construction will commence only upon the written approval of the Engineer. iii) The Contractor shall construct and maintain all labour accommodation in such a fashion that uncontaminated water is available for drinking, cooking and washing. iv) Supply of sufficient quantity of potable water (as per IS) in every workplace/labour camp site at suitable and easily accessible places and regular maintenance of such facilities. v) The sewage system for the camp are designed, built and operated in such a fashion that no health hazards occurs and no pollution to the air, ground water or adjacent water courses take place. Ensure adequate water supply is to be provided in all toilets and urinals.	During Pre - construction and construction	Perspective contractor / Local Government
3.12	Safety Aspects	i) Adequate precautions shall be taken to prevent the accidents and from the machineries. All machines used shall confirm to the relevant Indonesian standards Code and shall be regularly inspected by the Local Government. ii) Where loose soil is met with, shoring and strutting shall be provided to avoid collapse of soil. iii) Protective footwear and protective goggles to all workers employed on mixing of materials like cement, concrete etc. iv) Welder's protective eye-shields shall be provided to workers who are engaged in welding works. v) Earplugs shall be provided to workers exposed to loud noise, and workers working in crushing, compaction, or concrete mixing operation. vi) The contractor shall supply all necessary safety	During construction	Prospective contractor

		appliances such as safety goggles, helmets, safety belts, ear plugs, mask etc. to workers and staffs. vii) The contractor will comply with all the precautions as required for ensuring the safety of the workmen as per the International Labour Organization (ILO) Convention No. 62 as far as those are applicable to this contract. viii) The contractor will make sure that during the construction work all relevant provisions of the Factories Act, 1948 and the Building and other Construction Workers (regulation of Employment and Conditions of Services) Act, 1996 are adhered to. ix) The contractor will not employ any person below the age of 14 years for any work and no woman will be employed on the work of painting with products containing lead in any form.		
3.13	First Aid	The contractor shall arrange for : i) A readily available first aid unit including an adequate supply of sterilized dressing materials and appliances as per the Factories Rules in every work zone ii) Availability of suitable transport at all times to take injured or sick person(s) to the nearest hospital	During construction	Prospective contractor

4	**Distribution Network and OHTs**		**Time frame**	**Responsible agencies**
4.1	Shifting of community utilities	Pre-construction and Construction	Prospective contractor	Pre-construction and Construction
4.2	Laying of distribution pipelines	i) During construction	Prospective contractor	During construction
4.3	Using of modern machineries	During construction	Prospective contractor	During construction
4.4	Disposal of construction debris and excavated	i) A suitable site should be identified for safe disposal, in relatively low lying areas, away from the water bodies, residential and agricultural fields etc.,	During construction	Prospective contractor

	materials.	and got approved by the Engineer. ii) Care should be taken that dumped material does not affect natural drainage system. iii) Minimize the construction debris by balancing the cut and fill requirements. iv) All vehicles delivering material to the site shall be covered to avoid material spillage.		
4.5	Dust Pollution near settlements	i) Unpaved haul roads near / passing through residential and commercial areas to be watered thrice a day. ii) Trucks carrying construction material to be adequately covered to avoid the dust pollution and to avoid the material spillage	During construction	Prospective contractor
4.6	Vehicular noise pollution at residential / sensitive receptors.	i) Idling of temporary trucks or other equipment should not be permitted during periods of loading / unloading or when they are not in active use. The practice must be ensured especially near residential / commercial / sensitive areas. ii) Construction activity induced noise level shall be mitigated at the residential and sensitive receptors. The Contractor shall employ mitigation measures as directed by the Local Government. iii) Stationary construction equipment will be kept at least 500m away from sensitive receptors. iv) All possible and practical measures to control noise emissions during drilling shall be employed. The Local Government may direct to take adequate controls measures depending on site conditions.	During construction	Prospective contractor
4.7	Protection of residential / sensitive receptors.	i) Noisy construction operations in residential and sensitive areas should be restricted between 7.30 am and 6.00 pm. ii) Preventive maintenance of construction equipment and vehicles to meet emission standards and to keep them	During construction	Prospective contractor

		with low noise. iii) Provision of enclosing generators and concrete mixers at site. iv) Sound barriers in inhabited areas shall be installed during the construction phase. v) Adequate barricading / other measures to protect dust pollution near sensitive receptors like schools and hospital etc. to be ensured.		
4.8	Barricading site	The construction site should be barricaded at all time in a day with adequate marking, flags, reflectors etc. for safety of general traffic movement and pedestrians	During construction	Prospective contractor
4.9	Safety Aspects	i) Adequate precautions shall be taken to prevent the accidents and from the machineries. All machines used shall confirm to the relevant Indonesian standards Code and shall be regularly inspected by the Local Government. ii) Provide temporary crossing / bridges wherever necessary to facilitate normal life and business iii) Where loose soil is met with, shoring and strutting shall be provided to avoid collapse of soil. iii) The contractor shall supply all necessary safety appliances such as safety goggles, helmets, safety belts, ear plugs, mask etc. to workers and staffs. iv) A readily available first aid unit including an adequate supply of sterilized dressing materials and appliances as per the Factories Rules in every work zone vi) Availability of suitable transport at all times to take injured or sick person(s) to the nearest hospital	During construction	Prospective contractor

5.0	**Environmental enhancement and special issues:**		**Implementing Agency**	**Location**	
5.1	Flora and Chance found	The contractor will take reasonable precaution to prevent his workmen or any other persons	Prospective contractor	Project area	

	Fauna	from removing and damaging any flora (plant/vegetation) and fauna (animal) including fishing in any water body and hunting of any animal. If any wild animal is found near the construction site at any point of time, the contractor will immediately upon discovery thereof acquaint the Engineer and carry out the Engineer's instructions for dealing with the same. The Engineer will report to the nearby forest office (range office or divisional office) and will take appropriate steps/ measures, if required in consultation with the forest officials.		
5.2	Chance Found Archaeological Property	All fossils, coins, articles of value of antiquity, structures and other remains or things of geological or archaeological interest discovered on the site shall be the property of the Government and shall be dealt with as per provisions of the relevant legislation. The contractor will take reasonable precautions to prevent his workmen or any other persons from removing and damaging any such article or thing. He will, immediately upon discovery thereof and before removal acquaint the Engineer of such discovery and carry out the SC's instructions for dealing with the same, waiting which all work shall be stopped. The Engineer will seek direction from the appropriate direction frombefore instructing the Contractor to recommence the work in the site.	Prospective contractor	Project area
5.3	Monitoring of environment parameters	The contractor shall undertake seasonal monitoring of air, water, and noise and soil quality through an approved monitoring agency. The parameter to be monitored, frequency and duration of monitoring plan shall be prepared	Prospective contractor	Corridor of Impact
5.4	Sensitive Areas	The sensitive areas like Schools, hospitals to be provided with suitable noise barriers and safety measures, prior to the start of work in order to minimize the dust and noise impacts due to vehicle movement during construction and their effectiveness to be checked during operation phase.	Prospective contractor	Corridor of Impact

5.5	Clearing of construction of camps and restoration	Contractor to prepare site restoration plans for approval by the engineer. The plan is to be implemented by the contractor prior to demobilization. On completion of the works, all temporary structures will be cleared away, all rubbish cleared, excreta or other disposal pits or trenches filled in and effectively sealed off and the site left clean and tidy, at the contractor's expenses, to the entire satisfaction of the engineer.	Prospective contractor	All construction workers camps
5.6	Tree Protection, Tree Planting,	▪ Giving due protection to the trees that fall in the shoulders /corridor of impact shall be the prime focus during Construction/post construction ▪ Masonry tree guards, Low level RCC tree guards, Circular Iron Tree Guard with Bars, use of plate compactors near trees may also be considered where necessary ▪ Re-plantation of at least twice the number of trees cut should be carried out along the project road. Since the major portion of the project road may pass through open lands, planting of trees along the entire stretch of the road is recommended as an enhancement measure. ▪ Growth and survival of trees planted shall be ensured and monitoring done at least for a period of 3 years .Survival status shall be reported on monthly basis to Engineer in-charge.	Concerned agency/Contractor / Local Government	All tree plantation / greenery areas of the project

S.no	Activity/ Issue	Management Measures	Responsible agencies	Monitoring agencies
	OPERATION PHASE			
1	Flooding of the downstream areas; soil erosion; water logging of low-lying areas etc.	Ensure proper technical design of the storage reservoir to minimize seepage and chances of possible failure of the structure.	Contractor	Public work agency
2	Increase moisture content in soil, which affects the structures/found at	Ensure proper site selection. Ensure proper design, construction and operation of the structure and system to minimize seepage and appropriate implementation techniques.	Design Consultant, Contractor and Local	Public work agency

	ion of buildings in nearby areas.	In case of failure of nearby building structures / foundations, monetary compensation shall be provided	Government	
3	Wastage of water due to leakage or indiscriminate use	▪ Ensure leak control system in the design and monitoring. ▪ Increase awareness on water conservation and explore options like metering.	Design Consultant, Contractor and Local Government	Environmental Agency
4	Generation of additional quantity of wastewater leading to contamination of surface/subsurface sources, if not adequately treated.	▪ Provide sewerage system with sufficient treatment capacity to suffice to increased water supply levels ▪ Plan and cost for adequate centralized/decentralized sewage disposal and treatment, and sanitation facilities.	Contractor and Local Government	Environmental Agency
5	Safety hazards from chlorination process, accidents in handling chlorine cylinders and operation of plants	Install chlorine leak detectors; require protection and emergency response equipment for operators. Provide safety equipment to operating staff and training in handling the plant and chlorine cylinder	Contractor and Local Government	Environmental Agency
6	Soil and water contamination sludge disposal	Use only approved, appropriate disposal sites	Contractor and Local Government	Manpower agency
7	High energy demand for pumping operation.	Use of energy efficient pumps Periodical maintenance	Local Government	Public work agency

Annex 4. Contents of a Land Acquisition and Resettlement Action Plan (LARP)

The scope and level of detail of the resettlement plan vary with the magnitude and complexity of resettlement. The plan is based on up-to-date and reliable information about (a) the proposed resettlement and its impacts on the displaced persons and other adversely affected groups, and (b) the legal issues involved in resettlement. The resettlement plan covers the elements below, as relevant.

1. *Description of the project*. General description of the project and identification of the project area.
2. *Potential impacts*. Identification of
    - the project component or activities that give rise to resettlement;
    - the zone of impact of such component or activities;
    - the alternatives considered to avoid or minimize resettlement; and
    - the mechanisms established to minimize resettlement, to the extent possible, during project implementation.
3. *Objectives*. The main objectives of the resettlement program.
4. *Socioeconomic studies*. The findings of socioeconomic studies to be conducted in the early stages of project preparation and with the involvement of potentially displaced people, including a. the results of a census survey covering
    a. current occupants of the affected area to establish a basis for the design of the resettlement program and to exclude subsequent inflows of people from eligibility for compensation and resettlement assistance;

    b. standard characteristics of displaced households, production systems, labour, and household organization; and baseline information on livelihoods (including, as relevant, production levels and income derived from both formal and informal economic activities) and standards of living (including health status) of the displaced population;
    c. the magnitude of the expected loss--total or partial--of assets, and the extent of displacement, physical or economic;
    d. Information on vulnerable groups or persons as provided for in OP 4.12, para. 8, for whom special provisions may have to be made; and
    e. Provisions to update information on the displaced people's livelihoods and standards of living at regular intervals so that the latest information is available at the time of their displacement.
5. Other studies describing the following
    a. land tenure and transfer systems, including an inventory of natural resources which are a common property, from which people derive their livelihoods and sustenance, non-title-based usufruct systems (including fishing, grazing, or use of forest areas) governed by local recognized land allocation mechanisms;
    b. the patterns of social interaction in the affected communities, including social networks and social support systems, and how they will be affected by the project;

c. public infrastructure and social services that will be affected; and
d. Social and cultural characteristics of displaced communities, including a description of formal and informal institutions (e.g., community organizations, ritual groups, nongovernmental organizations (NGOs)) that may be relevant to the consultation strategy and to designing and implementing the resettlement activities.

Legal framework. The findings of an analysis of the legal framework, covering

a. the scope of the power of eminent domain and the nature of compensation associated with it, in terms of both the valuation methodology and the timing of payment;
b. the applicable legal and administrative procedures, including a description of the remedies available to displaced persons in the judicial process and the normal timeframe for such procedures, and any available alternative dispute resolution mechanisms that may be relevant to resettlement under the project;
c. relevant law (including customary and traditional law) governing land tenure, valuation of assets and losses, compensation, and natural resource usage rights; customary personal law related to displacement; and environmental laws and social welfare legislation;
d. laws and regulations relating to the agencies responsible for implementing resettlement activities;
e. gaps, if any, between local laws covering eminent domain and resettlement and the Bank's resettlement policy, and the mechanisms to bridge such gaps; and
f. Any legal steps necessary to ensure the effective implementation of resettlement activities under the project, including, as appropriate, a process for recognizing claims to legal rights to land--including claims that derive from customary law and traditional usage (see OP 4.12, para.15 b).
g. gaps, if any, between local laws covering eminent domain and resettlement and the Bank's resettlement policy, and the mechanisms to bridge such gaps; and
h. Any legal steps necessary to ensure the effective implementation of resettlement activities under the project, including, as appropriate, a process for recognizing claims to legal rights to land--including claims that derive from customary law and traditional usage (see OP 4.12, para.15 b).

Institutional Framework. The findings of an analysis of the institutional framework covering

a. the identification of agencies responsible for resettlement activities and NGOs that may have a role in project implementation;
b. an assessment of the institutional capacity of such agencies and NGOs; and
c. Any steps that are proposed to enhance the institutional capacity of agencies and NGOs responsible for resettlement implementation.

Eligibility. Definition of displaced persons and criteria for determining their eligibility for compensation and other resettlement assistance, including relevant cut-off dates.

Valuation of and compensation for losses. The methodology to be used in valuing losses to determine their replacement cost; and a description of the proposed types and levels of compensation under local law and such supplementary measures as are necessary to achieve replacement cost for lost assets.

Resettlement measures. A description of the packages of compensation and other resettlement measures that will assist each category of eligible displaced persons to achieve the objectives of the policy (see OP 4.12,

para. 6). In addition to being technically and economically feasible, the resettlement packages should be compatible with the cultural preferences of the displaced persons, and prepared in consultation with them.

Site selection, site preparation, and relocation. Alternative relocation sites considered and explanation of those selected, covering

a. institutional and technical arrangements for identifying and preparing relocation sites, whether rural or urban, for which a combination of productive potential, locational advantages, and other factors is at least comparable to the advantages of the old sites, with an estimate of the time needed to acquire and transfer land and ancillary resources;
b. any measures necessary to prevent land speculation or influx of ineligible persons at the selected sites;
c. procedures for physical relocation under the project, including timetables for site preparation and transfer; and
d. Legal arrangements for regularizing tenure and transferring titles to resettlers.

Housing, infrastructure, and social services. Plans to provide (or to finance resettlers' provision of) housing, infrastructure (e.g., water supply, feeder roads), and social services (e.g., schools, health services); **2** plans to ensure comparable services to host populations; any necessary site development, engineering, and architectural designs for these facilities.

Environmental protection and management. A description of the boundaries of the relocation area; and an assessment of the environmental impacts of the proposed resettlement**3** and measures to mitigate and manage these impacts (coordinated as appropriate with the environmental assessment of the main investment requiring the resettlement).

Community participation. Involvement of re-settlers and host communities, **4**

a. a description of the strategy for consultation with and participation of re-settlers and hosts in the design and implementation of the resettlement activities;
b. a summary of the views expressed and how these views were taken into account in preparing the resettlement plan;
c. a review of the resettlement alternatives presented and the choices made by displaced persons regarding options available to them, including choices related to forms of compensation and resettlement assistance, to relocation of individuals as families or as parts of pre-existing communities or kinship groups, to sustaining existing patterns of group organization, and to retaining access to cultural property (e.g. places of worship, pilgrimage centers, cemeteries);**5** and
d. Institutionalized arrangements by which displaced people can communicate their concerns to project authorities throughout planning and implementation, and measures to ensure that such vulnerable groups as indigenous people, ethnic minorities, the landless, and women are adequately represented.

Integration with host populations. Measures to mitigate the impact of resettlement on any host

1. consultations with host communities and local governments;
2. arrangements for prompt tendering of any payment due the hosts for land or other assets provided to resettlers;
3. arrangements for addressing any conflict that may arise between resettlers and host communities; and

4. Any measures necessary to augment services (e.g., education, water, health, and production services) in host communities to make them at least comparable to services available to resettlers.

Grievance procedures. Affordable and accessible procedures for third-party settlement of disputes arising from resettlement; such grievance mechanisms should take into account the availability of judicial recourse and community and traditional dispute settlement mechanisms.

Organizational responsibilities. The organizational framework for implementing resettlement, including identification of agencies responsible for delivery of resettlement measures and provision of services; arrangements to ensure appropriate coordination between agencies and jurisdictions involved in implementation; and any measures (including technical assistance) needed to strengthen the implementing agencies' capacity to design and carry out resettlement activities; provisions for the transfer to local authorities or resettlers themselves of responsibility for managing facilities and services provided under the project and for transferring other such responsibilities from the resettlement implementing agencies, when appropriate.

Implementation schedule. An implementation schedule covering all resettlement activities from preparation through implementation, including target dates for the achievement of expected benefits to resettlers and hosts and terminating the various forms of assistance. The schedule should indicate how the resettlement activities are linked to the implementation of the overall project.

Costs and budget. Tables showing itemized cost estimates for all resettlement activities, including allowances for inflation, population growth, and other contingencies; timetables for expenditures; sources of funds; and arrangements for timely flow of funds, and funding for resettlement, if any, in areas outside the jurisdiction of the implementing agencies.**6**

Monitoring and evaluation. Arrangements for monitoring of resettlement activities by the implementing agency, supplemented by independent monitors as considered appropriate by the Bank, to ensure complete and objective information; performance monitoring indicators to measure inputs, outputs, and outcomes for resettlement activities; involvement of the displaced persons in the monitoring process; evaluation of the impact of resettlement for a reasonable period after all resettlement and related development activities have been completed; using the results of resettlement monitoring to guide subsequent implementation.

Annex 5. Contents of an Abbreviated Resettlement Action Plan

1. *Description of the project:* General description of the project and identification of the project area
2. *Potential impacts:* Identification of (i) the sub-project component or activities requiring land acquisition, (ii) zone of impact of such components/activities
3. *Census of the Project Affected Persons (PAPs):* Results of the census and inventory of assets, including (i) a list of PAPs, distinguishing between those with land rights and those without, and (ii) an inventory of plots and structures affected.
4. *Legal Analysis:* Descriptions of legal steps to ensure the effective implementation of land acquisition under the sub-project, including, as appropriate, a process for recognizing claims to legal rights to land- including claims that derive from customary law and traditional usage
5. *Eligibility:* Identification of the PAPs who will be eligible for compensation and explanation of the criteria used to determine eligibility.
6. *Valuation of assets and calculation of compensation for losses:* A description of the procedures that will be followed to determine the form and amount of compensation to be offered to PAPs.
7. *Consultations with people who shall lose land and other assets:* A description of the activities carried out to (1) inform PAPs about the impacts of the project and the compensation procedures and options, and (2) give the PAPs opportunities to express their opinions
8. *Organizational responsibilities:* A brief description of the organizational framework for implementing land acquisition.
9. *Implementation schedule:* An implementation schedule covering land acquisition, including target dates for the delivery of compensation. The schedule should indicate how the land acquisition activities are linked to the implementation of the overall project.
10. *Costs and budget:* Cost estimates for land acquisition for the subproject.
11. *Grievance procedure:* Affordable and accessible procedures for third-party settlement of disputes arising from land acquisition; such grievance mechanisms should take into account the availability of judicial recourse and community and traditional dispute settlement mechanisms.
12. *Monitoring:* Arrangements for monitoring land acquisition activities and the delivery of compensation to PAPs.

Annex 6. Contents of an Indigenous People's Plan

Background and Context

- The project and project components
- Brief description of indigenous peoples/ethnic minorities (IP/EM) in the relevant project country
- Relevant legal framework
- Summary of the findings of the Social Assessment (part of environmental and social Assessment), including among others:
    - Baseline data of IP/EM
    - Maps of the area of project influence and the areas inhabited by IP/EM
    - Analysis of the IP/EM social structure and income sources
    - Inventories of the resources used by IP/EM, and technical data on their production systems
    - Information on cultural practices and patterns
    - Relationships of IP/EM to other local/national groups
        - Key positive project impacts on IP/EM
        - Key negative project impacts on IP/EM

Objectives of the IPDP

- Explain the purpose of the IPDP

Development and/or Mitigation Activities

- Describe detail of development activities
- Describe detail of mitigation activities

Strategy for IP/EM Participation

- Describe mechanism for participation by IP/EM in planning, implementation, and evaluation
- Describe procedures for redress of grievances by IP/EM

Institutional Arrangements

- Identify main tasks and responsibilities in planning, managing, and monitoring development, and/or mitigation activities
- Identify role of NGOs or IP/EM organizations in implementing the development and/or mitigation activities.

Budget and Financing

- Identify development and/or mitigation activity costs and funding resources

Supervision, Monitoring, and Evaluation

- Specify arrangements for supervision, monitoring, and evaluation
- Implementation strategy and schedule
- Prepare a plan for internal monitoring of the targets of the major development and/or mitigation activities

Annex 7. Outline of environmental and social appraisal report

A. Introduction

1. Project description: title, type of project, location and setting, amount, size (scale, capacity, number of staff, etc.).

2. Environmental and social categorization and rationale.

3. Applicable Environmental and Social Requirements.

B. Scope of Review and Methodology

1. Documents reviewed (e.g., environmental assessment reports, involuntary resettlement plan, Indigenous Peoples plan, or environmental and social compliance audit reports, copies of permits/licenses, etc.).

2. Methodology adopted (e.g. site visit, inspection report, etc.).

C. Compliance and Liability (by relevant safeguard requirements applicable for the specific project, examine environmental and social issues and compliance)

1. Examine issues in terms of environmental, involuntary resettlement and indigenous peoples impacts, mitigation measures to address these issues (or corrective action plan for existing facilities) and compliance status with applicable ADB environmental and social safeguard requirements and national laws, regulations, and standards:

(i) Environmental Safeguards

a. appropriate identification of major anticipated environmental impacts and risks;
b. adequacy of environmental assessment (for category A projects, including the adequacy of alternative analysis);
c. compliance status with applicable requirements on (i) information disclosure, (ii) consultation with affected people and other stakeholders,(iii) occupational and community health and safety, biodiversity conservation and sustainable natural resource management, and physical cultural resources; and
d. adequacy of mitigation measures and EMP (mitigation measures, monitoring and reporting, institutional arrangement, budget), or corrective action plan for existing facilities, if any.

(ii) Involuntary Resettlement Safeguards

a. appropriate identification of major anticipated involuntary resettlement impacts and risks (including both physical displacement and economic displacement);
b. adequacy of assessment of social impacts, information disclosure and consultation with affected people and other stakeholders;
c. adequacy of compensation and benefits for displaced persons
d. adequacy of resettlement plan (measures to enhance or restore the livelihoods of displaced persons, monitoring and reporting, institutional arrangement, budget), or corrective action plan for existing facilities, if any; and

e. Private sector responsibilities under government-manages resettlement.

(iii) Indigenous Peoples Safeguards

(a) appropriate identification of major anticipated impacts on Indigenous Peoples (including potential impacts on traditional or customary lands under use; relocation of Indigenous Peoples from traditional and customary lands, and impacts on cultural resources);

(b) adequacy of information disclosure and meaningful consultation;

(c) broad community support, where applicable;

(d) adequacy of measures to avoid adverse impacts; and

(e) adequacy of Indigenous Peoples plan (benefit sharing, measures to mitigate and minimize adverse impacts, monitoring and reporting, institutional arrangement, budget), or corrective action plan for existing facilities, if any.

(iv) Adequacy of grievance redress mechanism arrangements

1 Recommend mitigation measures, or corrective action plans, if gaps are identified

2 For existing facilities including projects under construction, examine whether the project company paid pollution charges or fines/penalties for non-compliance in the last two years in accordance with national laws, whether the project company is exposed to potentially significant liabilities, such as those arising from known or suspected land/groundwater contamination, major accidents and incidents related to the company's past or ongoing operations, and state further actions required/planned by the project, in particular actions to address any non-compliance problems and liabilities. Also examine whether there are complaints from the public or local communities regarding the project company's environmental and social performance.

3 State any risk control or mitigation measures to be taken by the project, such as conditions, loan covenants or monitoring and reporting requirements

D. Other Project Specific Issues, if any

E. Conclusion and Recommendations

F. Format for Corrective Action Plan

Name of Sub-Project						**Date of Audit:**	
Documents reviewed:							
Sr. No.	**Identified Non-Compliances**	**Recommended Corrective Actions**	**Timeframe**	**Action completion indicator**	**Means of Evaluation**	**Name of Responsible person**	**Remarks**

(Signature of Environmental / Social Safeguards Specialist)

Name:

Annex 8. Sector wise environmental review / appraisal checklist and Generic (Cross cutting) Aspects

ii. Water Supply

Note: See table 1 at Chapter 1 about the potential sub-projects for each sectors.

There is a specific World Bank Group EHS Industry Sector Guidelines for Water and Sanitation at www.ifc/ehsguidelines that that is applicable and strongly relevant to be used to complement this appraisal checklists.

No.	Process	Description	Yes	No	N/A	Sufficiency of Mitigation Measures Proposed
1.	Water Withdrawal (For Dams, water treatment plants, deep wells, transmission and distribution lines etc)	Have the potential adverse effects of withdrawal of surface water on downstream ecosystems been evaluated?				
		Has appropriate environmental flow assessment been conducted to determine acceptable withdrawal rates?				
		Does the raw water supply have a source of pollution at the upstream like industries, agriculture, and sewage and soil erosion? Are adequate measures taken to treat these?				
		Does the project pose a hazard of land subsidence due to excessive ground water pumping? On Dam Safety aspect?				
2.	Water Treatment	Does the treated water meet national standards?				
		Have adequate measures been taken to reduce the solid waste residual generated through the treatment process?				
		Does the effluent from the				

No.	Process	Description	Yes	No	N/A	Sufficiency of Mitigation Measures Proposed
		treatment process like filter backwash, reject streams from membrane filtration processes, and brine streams from ion exchange or demineralization processes treated and meet country standards?				
		Are adequate measures taken to prevent and control hazards during storage and use of hazardous chemicals?				
		Is there emission generated from the treatment process? Have measures been taken to mitigate these impacts?				
		Is the water treatment facility located in designated protected areas? Will the project activities cause any damage to these?				
		Is the water treatment facility located in a densely populated area or an area with heavy developmental activities?				
3.	Water Distribution	Does the design of the distribution system include checks and measures to minimize leaks and loss of pressure?				
		Is the water used for flushing the water pipes disposed in accordance to country requirements?				

No.	Process	Description	Yes	No	N/A	Sufficiency of Mitigation Measures Proposed
4.	Supporting facilities for Water Supply Facilities	Are water supply facilities completed with adequate transmission lines?				
		Are the impairments associated with transmission lines and access roads adequately addressed?				
		Is the increase in water supply supported by adequate sewerage network and sewage treatment facility?				
5.	Health and safety	Are adequate measures taken to prevent, minimize and mitigate occupational health and safety hazards to workers in projects?				

iii. - Sewerage and Sanitation

There is a specific World Bank Group EHS Industry Sector Guidelines for Water and Sanitation at www.ifc/ehsguidelines that that is applicable and strongly relevant to be used to complement this appraisal checklists.

No.	Process	Description	Yes	No	N/A	Sufficiency of Mitigation Measures Proposed
1.	On-site systems	Are suitable facilities for storage, handling and treatment of faecal sludge from septic systems provided?				
2.	Sewerage system	Does the design of the sewerage system meet country standards?				

No.	Process	Description	Yes	No	N/A	Sufficiency of Mitigation Measures Proposed
		Are adequate measures taken to prevent and minimize leaks from the sewerage system into the ground?				
3.	Sewage Treatment	Is the sewage adequately treated before release into aquatic systems? Do they meet country standards?				
		Is the sludge generated from the treatment plant disposed as per country specifications?				
		Are adequate measures taken to minimize odour from the treatment facility?				
		Does the effluent from the treatment facility meet country and sponsors standards for disposal into aquatic systems?				
		Are adequate measures taken to prevent and control hazards during storage and use of hazardous chemicals?				
		Are adequate measures taken to prevent overflows and flooding of neighbouring properties with raw sewage?				
		Is the water treatment facility located in designated protected areas? Will the project activities cause any damage to these?				

No.	Process	Description	Yes	No	N/A	Sufficiency of Mitigation Measures Proposed
		Is the water treatment facility located in a densely populated area or an area with heavy developmental activities?				
4.	Industrial Waste Water	Is the wastewater adequately treated before release into sewerage system or aquatic systems? Do the effluents meet country standards?				
5.	Occupational Health and Safety	Are adequate measures taken to prevent accidents and injuries to workers while working?				
		Are adequate measures taken to prevent chemical hazards during handling and storage of hazardous chemicals?				
		Are protective equipment and training provided to workers against exposure to hazard?				

(c) – Solid Waste Management

There is a specific World Bank Group EHS Industry Sector Guidelines for Waste Management Facilities at www.ifc/ehsguidelines that is applicable and strongly relevant to be used to complement this appraisal checklists.

No.	Process	Description	Yes	No	N/A	Information
1.	Collection and	Are adequate Litter bins and refuse collection services available to prevent				

No.	Process	Description	Yes	No	N/A	Information
	Transport	littering and clandestine dumping?				
		Are adequate measures taken to mitigate air emission?				
2.	Waste Receipt, Unloading, Processing and Storage	Are adequate measures taken to prevent migration of leachate into soil, surface water and groundwater?				
		Are adequate measures taken to prevent, minimize, and control waste from project?				
3.	Biological Treatment	Are adequate measures taken to control leachate and runoff from waste storage and processing areas?				If not, then….
		Are adequate measures taken to prevent combustion of waste?				
4.	Landfilling	Is the landfill site located in accordance to country specifications?				
		Are adequate measures taken for collection, treatment and disposal of leachate from landfill?				
		Is the quantity of leachate generated regularly monitored?				
		Is a landfill gas collection system designed and operated in accordance with applicable national requirements standards?				
		Are adequate measures taken to prevent, minimize, and control dispersal of litter?				
		Is adequate buffer zone maintained around the landfill to alleviate nuisances?				
5.	MSW Incineration Facilities	Does project own/operate incinerator for MSW? If yes, does it have valid permit?				Number of permit: Date of issue: Date of validity:

No.	Process	Description	Yes	No	N/A	Information
						Agency of Permit Issuance:
		Do emissions from incinerators meet country and standards?				
		Are ash and other residuals disposed in accordance to country specifications?				
6.	Health and Safety	Are adequate measures taken to minimize and mitigate health and safety hazards to workers from toxic gases and hazardous materials on site?				
		Are adequate measures taken to protect the public and neighbourhood from odour, smoke from fire, diseases transmitted by flies, rodents, insects and birds etc.?				

Hazardous and Toxic Waste Management Facilities

There is a specific World Bank Group EHS Industry Sector Guidelines for Waste Management Facilities at www.ifc/ehsguidelines that is applicable and strongly relevant to be used to complement this appraisal checklists

No.	Process	Description	Yes	No	N/A	Information
1.	Collection and Transport	Are adequate measures taken to prevent spills and releases to environment?				
		Are national and sponsors standards followed for packaging, labelling, and transport of hazardous materials and wastes? Permit obtained for storage, transport and treatment?				
2.	Waste Receipt,	Is the incoming waste adequately				

No.	Process	Description	Yes	No	N/A	Information
	Unloading, Processing, and Storage	identified and classified for storage, treatment and disposal?				
		Are adequate measures taken to prevent spills and releases during waste storage and handling?				
		Are adequate measures taken to prevent and control releases of particulate matter and VOCs from waste processing equipment?				
3.	Biological-Physical-Chemical Treatment	Is the facility designed and operated in accordance with applicable national requirements?				
		Are adequate measures taken to control leachate and runoff from waste storage and processing areas?				
4.	Incineration Facilities	Does project have/operate incinerator for hazardous and toxic waste? If yes, does it have valid permit?				Number of permit: Date of issue: Validity date: Agency of Permit Issuance:
		Do emissions from incinerators meet country standards?				
		Are ash and other residuals disposed in accordance to country specifications?				

(d)-Road Access, Land Transportation, Logistics, Terminals

There are specific World Bank Group EHS Industry Sector Guidelines for “Toll Road”, “Shipping”, “Ports, Harbours, Terminals”, “Airports”, “and Railways”, at www.ifc/ehsguidelines that are applicable and strongly relevant to be used to complement this appraisal checklists.

No.	Environmental Component	Description	Yes	No	N/A	Information

No.	Environmental Component	Description	Yes	No	N/A	Information
1.	Ecology	Does the project lie in proximity to or cut across any designated Protected Area?				
		Does the project or its activities cause disruption of terrestrial and aquatic habitats? If yes which of the following impacts does it cause ▪ fragmentation of forested habitat; ▪ loss of nesting sites of listed rare, threatened, or endangered species and / or high biodiversity / sensitive habitat; disruption of watercourses; ▪ creation of barriers to wildlife movement; ▪ visual and auditory disturbance due to the presence of machinery, construction workers, and associated equipment				
		Does the project involve regular maintenance of vegetation within road right-of-way causing likelihood of the establishment of invasive species?				
2.	Hydrology	Would the alteration of topography and installation of project components like tunnels adversely affect surface and ground water flows?				
3.	Topography and Geology	Does the project involve activities that have a likelihood of causing slope failures and landslides?				
4.	Storm water	Does the project or its activities cause increase in rate of surface water runoff?				
5.	Waste	Does the project or its activities lead to generation of the following types of waste ▪ Solid waste may be generated during construction and maintenance ▪ Vegetation waste ▪ Sediment and sludge from storm				

No.	Environmental Component	Description	Yes	No	N/A	Information
		water drainage system maintenance ▪ Waste generated from road and bridge maintenance				
6.	Air Quality	Will the project cause increased local air pollution due to rock crushing, cutting and filling works and chemical vapor from asphalt processing?				
7.	Water Quality	Would the surface runoff from cut and fill areas cause degradation of water quality in the downstream water bodies?				
		Would the surface runoff from roads contaminate surrounding water sources and/or ground water?				
8.	Public Health	Will the project lead to creation of temporary breeding habitats for mosquito vectors of disease?				
		Are there accident risks associated with increased vehicular traffic, leading to loss of life (communities around project area)?				
9.	Occupational Health and Safety	Are adequate measures taken to prevent physical hazards while operating machinery, from moving vehicles and working at elevation on bridges and overpasses?				
		Are adequate measures taken to prevent chemical hazards from construction and paving activities, exhaust emissions from heavy equipment and motor vehicles during all construction and maintenance activities?				
		Are adequate measures taken to prevent chemical hazards from construction and paving activities, exhaust emissions from heavy equipment and motor vehicles				

No.	Environmental Component	Description	Yes	No	N/A	Information
		during all construction and maintenance activities?				

(e) – Urban Slum Improvements, Housing,Social Infrastructure Buildings (such as hospitals, public markets, schools)

There is a specific World Bank Group EHS Industry Sector Guidelines for "Health Care Facilities" at www.ifc/ehsguidelines that is applicable and strongly relevant to be used to complement this appraisal checklists. For Urban Slum improvement works and Building construction (schools, markets) the WBG General EHS Guidelines has been referred to complement this checklist.

No.	Environmental Component	Checklist	Yes	No	Comments/Information
1.	Ecology	Will the project alter the micro-climate of the area due to building design?			
		Does the project require large scale felling of trees? Have measures been planned to transplant these trees?			
2.	Energy	Are passive solar architecture features being used in the building to optimize energy consumption?			
3.	Land	Have adequate measures been planned to prevent land degradation due to dumping of construction waste and excavation spoil? Have designated locations been identified by the local body for dumping of such waste?			
		Is material for construction like sand and aggregate sourced from authorized quarries?			
		Does the project require conversion of land use from industrial to residential? Has the soil been tested			

No.	Environmental Component	Checklist	Yes	No	Comments/Information
		for contamination before commencement of excavation?			
		Will the housing facility impact the existing facilities adjacent to the site? (Such as open spaces, community facilities, details of the existing land use, disturbance to the local ecology).			
		Have measures been planned for solid waste management from the housing facility after occupation?			
		Have adequate parking spaces been provided also considering the rise in social status?			
4.	Natural drainage	Has the main natural drainage of the site been retained and incorporated in the master planning to prevent future flooding?			
		Have adequate measures been planned to prevent obstruction to natural drainage due to dumping of construction waste and excavation spoil?			
5.	Air Quality	Is the ambient air quality within the host country's standards for most of the times?			
		Are air polluting industries located in the vicinity of the project area. Will the project add to the air pollution load in the area?			
		Will the project cause increased local air pollution especially SPM and RSPM levels due to rock crushing, cutting and filling works and fugitive dust emissions form stockpile, construction camps, haul roads?			

No.	Environmental Component	Checklist	Yes	No	Comments/Information
		Is the exhaust from equipment used during construction like diesel generator sets, crushers etc. within limits prescribed by State Pollution Control Boards?			
6.	Water Quality	Would the surface runoff from cut and fill areas cause degradation of water quality in the downstream water bodies and ground water?			
		Does the project or its activities cause increase in rate of surface water runoff?			
		Will the runoff from construction activities, stockpile areas for debris and excavation spoil affect water quality of surrounding water bodies?			
		Have measures been planned for conveyance of sewerage? Has a sewage treatment facility been installed for the housing facility?			
7.	Water Demand	How is the water demand been met for construction? Will the drawl of ground water for construction affect the water availability to existing habitations?			
8.		Have adequate provisions been made for water supply to the housing facility after occupancy?			
		Is ground water development of the area in critical zone?			
9.	Public Health	Will the project lead to creation of temporary breeding habitats for mosquito vectors of disease?			
10.		Has the housing facility and amenities provided been planned in			

No.	Environmental Component	Checklist	Yes	No	Comments/Information
		accordance to fire hazard regulations? Has a fire fighting system been installed?			
11.	Occupational Health and Safety	Are adequate measures taken to prevent physical hazards while operating machinery, from working at elevation on scaffolding, from collapse of slabs and such structural members?			
		Are the labour provided clean water for consumption and cooking?			
		Have adequate sanitation facilities been provided at labour camps?			
12.	For HOSPITAL construction	Have requirements in the WBG EHS Industry Sector Guideliens for Health Care Facilities been met?			If Not…..

Source: CRIS recommendation

(f) Generic Aspects: Ambient Air, Water and Noise Conditions of the Sub-Projects

No.	Process	Description	Yes	No	N/A	Information
1.	Ambient Air Quality	Do emissions from project and supporting activities (e.g. heavy equipment, loading-unloading) have adverse impacts to ambient air quality? Have measures been taken to mitigate these impacts?				
		Are there any industries contribute air pollution to around project area? Will the project increase air pollution to the area?				
		Does ambient air quality around project area meet national standards?				
2.	Noise and Vibration	Is sufficient buffer maintained around project area (pump, water and waste water treatment plant, power generation and other system and equipment) to				

No.	Process	Description	Yes	No	N/A	Information
		reduce noise and vibration?				
		Are adequate measures taken to mitigate noise and vibration impacts generated from vehicles and heavy equipment?				
		Are there any industries contribute noise and vibration to around project area?				
		Do noise and vibration levels meet national standards?				
3.	Ambient Water Quality	Do waste water from project and supporting activities have adverse impacts to ambient water quality? Have measures been taken to mitigate these impacts?				
		Are there any industries contribute water pollution to around project area? Will the project increase water pollution to the area?				
		Does ambient water quality around project area meet national standards?				

(g) Generic Aspects: Occupational Health and Safety Management System (OHSMS) , Community Health and Safety and Construction Aspects of the Sub-Project

No.	Process	Description	Yes	No	N/A	Information
1.	Management System	Have the project implemented OHSMS?				
		Have OHSMS of the project been audited /evaluated periodically?				
2.	Personnel	Does project hire personnel competent at OHSMS and safety related to project field?				
3	Man-hours	Does project record man-hours? If yes, what is the amount? If no, what is the reason?				

No.	Process	Description	Yes	No	N/A	Information
4.	Emergency Response and Preparedness	Does project have emergency response and preparedness plan to manage and control any emergency conditions?				
5.	Construction Aspects	Has the project considers decommissioning and other environment and social aspects of construction as guided by the WBG General EHS guidelines (such as influx management)				
6	Community Health and Safety	Has the project considers this aspect as guided by the WBG General EHS guidelines.				If not, procedure 4.4 applies
7	Traffic Management	Has the project considers traffic management aspect as guided by the WBG General EHS guidelines.				

(h)-Generic Aspects: Monitoring and Reporting

No.	Process	Description	Yes	No	N/A	Information
1.	AMDAL / UKL-UPL / SPPL	Does project manage and monitor environment and social aspects on a periodic basis in accordance with EIA/EMP (AMDAL/UKL-UPL/SPPL) requirements which has been approved by the Government? Has project reported EMP to the Government?				

……,……2016

Reported by: Approved by:

(f) - Health Care Facilities

	Environmental Component	Checklist	Yes	No	Comments/Information
1.	Waste Management	Is a health care waste management system (HWMS) established, operated and maintained?			
		Are practices and procedures adopted to minimize waste generation through avoiding products containing hazardous materials?			
		Is waste identified and segregated at the point of generation?			
		Are the waste bags identified and labelled appropriately before removal?			
		Does the waste handling, collection, transport, storage, treatment and disposal meet national and sponsors standards?			
		Are appropriate waste disposals strategies employed for different streams of waste such as infectious waste, sharps, pharmaceutical waste, chemical waste, radioactive waste etc.?			
2.	Air quality	Are adequate measures taken at treatment and disposal facilities to maintain ambient air quality within standards prescribed by national regulatory authority or sponsors?			
3.	Wastewater	Is the contaminated wastewater from medical wards and operating theatres adequately treated before discharge?			
4.	Occupational Health and safety	Are adequate safety measures adopted to prevent and control exposure to infections and diseases?			
		Are adequate measures taken to prevent, minimize and control fire hazards during storage, handling, and presence of chemicals, pressurized, gases, boards,			

	Environmental Component	Checklist	Yes	No	Comments/Information
		plastics, and other flammable substrates?			
		Are adequate measures taken to prevent, minimize and control occupational radiation exposure from equipment emitting X-rays and gamma rays (e.g. CT scanners), radiotherapy machines, and equipment for nuclear medicine activities?			

Annex 9. Covenants pertaining to environmental and social safeguards for inclusion on contractual agreements

The following clauses should be inserted into the Construction Contractor's Agreement additionally among others:

j) The contractor shall implement all measures recommended in the Environmental Management Plan

k) The Contractor shall implement the special and general conditions stated in the environmental permits, forest clearance, and wildlife clearance applicable to construction phase of the project.

l) The Contractor shall comply with all applicable regulations with regards to control of pollution

m) The Contractor shall conduct six monthly environmental monitoring of ambient air quality, water quality and noise levels through approved agencies in consultation with RIDF. These reports shall be submitted to RIDF.

n) The Contractor shall obtain consents for hot mix plant, wet mix plant, crushers, diesel generator sets and batching plant and submit to RIDF.

o) Where the Contractor obtains construction material from third party sources, a copy of the consents of these third party agencies should be obtained by the Contractor and submitted to RIDF.

p) The Contractor shall obtain permits from respective regulatory/ local authority for use of water, borrow pits during construction and submit to RIDF.

q) The Contractor shall furnish to RIDF and respective regulatory authorities immediate notice of any incident or accident relating to the Project and likely to have a highly adverse effect on the environment.

r) The Contractor will bear the cost of damage to any private or government property during construction caused due to negligence or inaction of good construction practices

The following clauses should be inserted into the EPC Contract additionally among others, as applicable –

10. The EPC Contractor shall implement all mitigation measures applicable during pre-construction and construction phase specified in the Environmental Management Plan prepared for the project.
11. The EPC Contractor shall implement all conditions specified in the Environmental Clearance Certificate applicable during pre-construction and construction.
12. The EPC Contractor shall provide amenities and follow health and safety standards for construction labour and staff at all times as per Labour Laws.
13. The EPC Contractor shall obtain required environment, health & safety clearances/ permits/ approvals as required by regulatory authorities.
14. The EPC Contractor shall implement all conditions stated in clearances/ permits/ approvals granted for the project by regulatory authorities.

15. The Contractor shall not indulge in harmful or exploitative forms of forced[10]labour or child[11]labour.
16. The EPC Contractor shall provide its labour and staff periodic training on environmental protection (housekeeping, preventing spills, wastage etc.) and occupational health & safety practices (use of PPE, harness, safe working practices etc.).
17. The EPC Contractor shall designate person/s to attend to public grievances due to construction.
18. The EPC Contractor shall prepare and implement an emergency preparedness and response plan for the project site under their control during construction. Line of authority should be established for decision making during emergencies and all staff and workers/supervisors should be trained as per their job description.

[10] *Forced labour means all work or services not voluntarily performed, that is, extracted from individuals under threat of force or penalty. http://www.ilo.org/ilolex/english/convdisp1.htm (scroll down for Convention No. 29)*

[11] *Child labour means the employment of children whose age is below the host country's statutory minimum age of employment or employment of children in contravention of International Labour Organization Convention No. 138 "Minimum Age Convention" http://www.ilo.org/ilolex/english/convdisp1.htm (scroll down for Convention No. 138)*

Annex 10. Applicable World Bank Policies and Indonesian Laws

World Bank policies

The World Bank has adopted a series of operational procedures that serve as environmental and social safeguards and also adopted an umbrella policy (OP 4.01) on environmental and social protection as a whole (see **Table 29**). There are also The World Bank Group General EHS Guidelines and Industry Sector Guidelines that are referred to in this ESMF (www.ifc.org/ehsguidelines).

Table 29: World Bank's Environmental and Social Safeguard Policies

No.	Safeguard	Objective
1	OP 4.01 Environmental Assessment	Help ensure environmental and social soundness and sustainability of projects. Support integration of environmental and social aspects of projects into the decision-making process.
2	OP 4.04 Natural Habitats	Promote environmentally sustainable development by supporting the protection, conservation, maintenance, and rehabilitation of natural habitats and their functions.
3	OP 4.09 Pest Management	Minimize and manage the environmental and health risks associated with pesticide use and promote and support safe, effective, and environmentally sound pest management.
4	OP 4.11 Physical Cultural Resources	Assist in preserving physical cultural resources and in preventing their destruction or damage. Physical cultural resources includes resources of archaeological, paleontological, historical, architectural and religious (including graveyards and burial sites), aesthetic, or other cultural significance.
5	OP 4.12 Involuntary Resettlement	Avoid or minimize involuntary resettlement and, where this is not feasible, assist displaced persons in improving or restoring their livelihoods and standards of living in real terms relative to the pre-displacement levels or to levels prevailing prior to the beginning of project, whichever is higher.
6	OP 4.10 Indigenous People	Design and implement projects giving due importance to indigenous people's dignity, human rights, and cultural uniqueness and ensure that they (1) receive culturally compatible social and economic benefits, and (2) do not suffer during the development process.
7	OP 36 Forests	Realize the potential of forests to reduce poverty in a sustainable manner, integrate forests effectively into sustainable economic development, and

No.	Safeguard	Objective
		protect the forest's vital local and global environmental services.
8	OP 4.37 Safety of Dam	Ensure quality and safety in the design, construction and rehabilitation of dams, and mitigate any adverse impacts arising from the dams.
9	OP 7.50 Projects on International Waterways	Ensure that the international aspects of projects on international waterway are dealt with at the earliest and that the riparian's are notified of the proposed project and its details.
10	OP 7.60 Projects in Disputed Areas	Ensure that other claimants to the disputed area have no objection to the project, or ensure that the special circumstances of the case warrant the World Bank's support of the project notwithstanding any objection or lack of approval by other claimants.

Indonesian laws

Indonesia has a comprehensive set of laws governing environment protection, involuntary land acquisition and recognition of the indigenous population (see **Table 30**).

Table 30: Indonesian Laws and Regulations related to Environmental and Social Protection

No.	Regulation	Objective
1	Law No. 32/2009	**Environmental protection and environmental management.** The purpose of this law is to ensure environmentally sustainable development through environmental planning, and rational exploitation, development, maintenance, restoration, supervision and control of the environment. Environmental protection and management will be undertaken in phases: collection of data on natural resources; identification of eco-regions; and formulation of environmental protection and management plans.
2	Law No. 5/1960	**Agrarian basic principles.** This law defines the fundamental rights of private individuals and entities. It describes the role of the state with regard to the direct use of land as well as its regulation of private rights and uses of land. This law also recognises the "adat" law, or Indonesia customary law, as long as it does not conflict with national interest or other

No.	Regulation	Objective
		regulations set out in this law.
3	Law No. 2/2012	**Land acquisition for the development of facilities for public use**. This law substantially clearly outlines the mechanism for the acquisition of civilian land to facilitate the development of new infrastructure projects, and thus substantially accelerates the land acquisition process for development in the public interest.
4	Government Regulation No. 27/2012	**Environmental permit.** This regulation requires that the application for environmental permit should be accompanied by environmental assessment documents (AMDAL and UKL/UPL), business legal documents and business profile document. Further, the project owners need to apply for environmental permit to the appropriate government authority before project implementation.
5	Government Regulation No. 82/2001	**Water quality management and pollution control.** This regulation is designed to control water quality and pollution in an integrated manner using the ecosystem approach in planning, implementation, supervision, and evaluation phases.
6	Government Regulation No. 41/1999	**Control of air pollution.** This regulation is designed for**:** (a) guaranteeing the safety, conservation of environmental and public services function; (b) raising public awareness regarding the environment so as to achieve harmony, suitability and equilibrium between human and environment; (c) controlling the exploitation of resources wisely; and (d) controlling sources of pollution so that the air quality meets the necessary standards.
7	Government Regulation No. 101/2014	**Hazardous waste management.** This regulation governs the management and disposal of toxic and hazardous wastes and covers: (a) method for identifying, reducing, storing, collecting, transporting, utilizing and processing hazardous

No.	Regulation	Objective
		wastes; (b) procedures for dumping hazardous wastes into the open sea or land; and (c) risk mitigation and emergency preparedness.
8	Minister of the Environment Regulation No. 05/2012	**Types of business and/or activities mandated to undertake environmental impact assessment (AMDAL).** This regulation lists activities in different sectors and businesses that require AMDAL (complete environmental impact assessment, EIA) study. Activities not listed in this regulation require UKL-UPL study (a scaled down EIA) or at least a statement of readiness (SPPL).
9	Presidential Regulation No. 71/2012 Presidential Regulation No. 40/2014 Presidential Regulation No. 99/2014 Presidential Regulation No. 30/2015	**Land acquisition for the development of facilities for public use.** This regulation has been changed thrice, the latest being No. 30/2015. The new regulation has facilitated timely funding for land acquisition. Under the new law, private investors can provide funds at an early stage, confident that these funds will either be refunded directly or through revenue arrangements as the project proceeds. This is in contrast with previous version whereby land acquisition was contingent on disbursement of the state budget, which is often limited and subject to a long budgeting cycle. As per the regulation No. 30/2015, in case of land measuring less than 5 hectares, the project proponent can purchase the land directly from the owner.
10	Law No. 41 on Forestry (plus Constitutional Court Decision No. 35/PUU-X/2012)	Procedures to settle land ownership conflict in forest areas
11	MOHA Regulation No. 52/2014	Guidelines on the recognition and protection of MHA
12	Ministerial Regulation of MOH No. P.62/2013	(Adjustment of Ministerial Regulation No. P.44/2012) on the establishment of forest area
13	Regulation of the Minister of Land Agency and Spatial	Procedures to establish the land communal rights on MHA land and community living in special areas

No.	Regulation	Objective
	Development No. 9/2015	
14	Law No. 18/2013	Prevention and control of deforestation (UUP3H).
15	Regulation of Ministry of Forestry No. P.39/Menhut-II/2013	Empowerment of local communities through a forest partnership. This regulations aims at enhancing local communities' capability and autonomy in order to gain benefits from forest resources in an optimal and equitable way through forest partnerships.